

## Part A

### Budget and State Aid

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#### Operating Budget

##### Budget in Brief

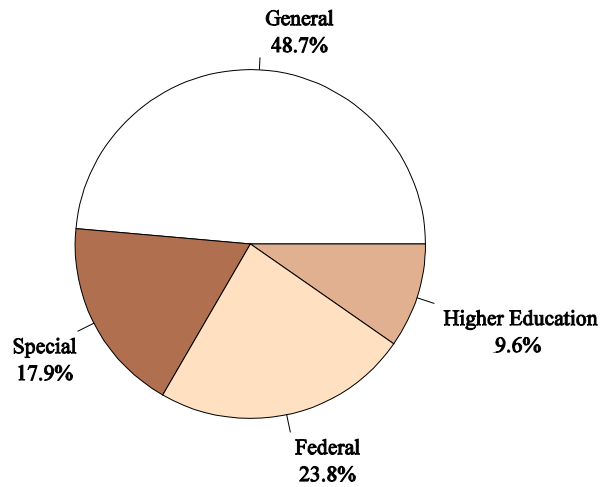
From a budgetary standpoint the 2002 session was the most challenging since the early 1990s. An economic slowdown in 2001, combined with terrorist attacks on September 11, 2001, caused revenue estimates to be reduced, and general fund projections were revised further downward during the session. The Governor proposed to balance the budget through a number of one-time fund transfers, cancellation of the final phase of a 10 percent income tax reduction, and statutory mandate relief through a Budget Reconciliation Act (BRA). Although the administration's spending plan would have produced a balanced fiscal 2003 budget, the use of one-time measures masked an underlying structural deficit between operating revenues and expenses in excess of \$1.3 billion.

As enacted during the 2002 session, the Budget Bill *Senate Bill 175 (enacted)* provides \$21.8 billion in appropriations for fiscal 2003; an increase of \$0.5 billion (2.6 percent) over fiscal 2002. **Exhibit A1.1** illustrates funding by type of revenue. Slightly less than one-half of the budget is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education funds. State agency operations constitute the largest area of spending, representing 48.0 percent of the total budget. Aid to local jurisdictions accounts for 21.7 percent of the budget, and 17.9 percent is for entitlements. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

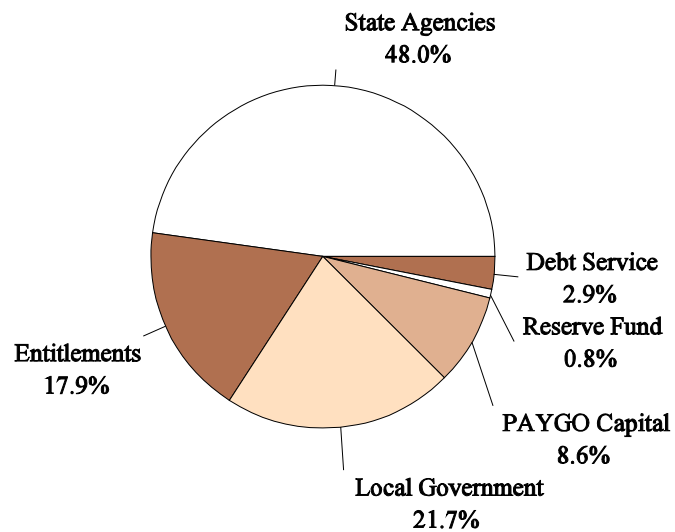
Growth in general fund appropriations is virtually flat, increasing by \$37.1 million, or four-tenths of one percent above the revised fiscal 2002 level. However, this reflects a \$317 million decrease in PAYGO capital spending. Ongoing

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**Exhibit A1.1**  
**Maryland's \$21.8 Billion Budget**  
**Where It Comes From: Budget by Fund Source**



**Where It Goes: Budget by Purpose**



general fund spending increases \$370.6 million, or 3.7 percent. Aid to local governments, especially aid to education, drives this year's general fund growth. Local aid support by general funds increases \$232.4 million, or 7.1 percent. Special, federal, and higher education funds appropriations also increase in fiscal 2003. Special funds grow by \$133.0 million (3.5 percent), federal spending rises by \$280.6 million (5.7 percent), and higher education spending increases \$98.6 million (5.0 percent).

Within State agency operations, health, higher education, transportation, and public-safety related agencies receive approximately 68 percent of dollars allocated for State agencies. Growth in personnel expenses accounts for much of the growth in agency spending. Although no cost-of-living adjustment is provided in fiscal 2003, funds were required to annualize the 4 percent increase that was provided for six months in fiscal 2002. Employee will receive a one-time lump sum bonus payment, equal to ½ of a step increase in their current grade. Other costs are attributed to inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent.

Other actions related to personnel include adoption of a new actuarial methodology for calculating contributions for employees in the regular and teacher's retirement plans, a reduction in the State's match of the deferred compensation benefit from \$600 to \$500, and deletion of funds for pay-for-performance bonuses.

Education programs continue to fare well in the fiscal 2003 budget. Total education and library aid to local jurisdictions rises \$303 million (8.8 percent). The operating budget includes \$15.9 million for public school construction. In combination with new general obligation bond funding of \$135.1 million, a total of \$151 million will be available.

Funding is also provided for additional substance abuse treatment slots, expansion of the Developmental Disabilities waiting list initiative, the first year of a five-year wage enhancement initiative for community providers serving the developmentally disabled, additional transportation operating and capital spending, Medicaid and Maryland Children's Health program costs, child care subsidies and cash assistance for low income families, and community services for the mentally ill.

## **Framing the Session**

Following the 2001 session, national economic activity was weak. It was not until late in calendar 2001 that economists determined that the country had been in recession since March 2001. Throughout calendar 2002 the Federal Reserve Board responded to the slowdown by lowering its interest rates 11 times, for a cumulative cut of 4.75 percentage points, to 1.75 percent. States such as Tennessee and Florida, which

rely more heavily on the sales tax as a major source of revenue, found it necessary to write revenues down significantly in the spring and summer. Shortly after the start of fiscal 2002, revenue collections in Maryland began to dip. Through the first two months revenue fell \$53 million below projected attainments. In September the Board of Revenue Estimates (BRE) indicated that a write down of revenues was imminent. The budget committees expressed concern to the Governor and suggested that cost containment actions be considered. At the first meeting of the Spending Affordability Committee (SAC) the Department of Legislative Services (DLS) estimated that the State faced a combined structural deficit of \$1.7 billion for fiscal 2002 and 2003.

In mid-October the Governor announced an 18-month hiring freeze, a reduction of 1.5 percent in certain operating expenses, and the planned withdrawal of \$65 million in embargoed PAYGO general fund capital. The Board of Public Works (BPW) was to approve a total cost containment withdrawal of \$154 million (\$126 million general and \$28 million special fund appropriations). The Governor announced a plan to embargo an additional 30 percent of remaining agency general fund appropriations for fiscal 2002, in case additional cost containment became necessary. In mid-December the BRE wrote down general fund revenues by \$276.3 million, a 1.7 percent decline from fiscal 2001.

In late December, SAC recommended a 3.95 percent growth limit based in part on varying projections of personal income growth. The committee further recognized that sustainability was an important issue, and suggested that ongoing changes to the budget be made by the administration. Concern was expressed that the use of one-time cash would not address the structural deficit. The committee further recommended retention of at least 5 percent of general fund revenues in the Revenue Stabilization Fund, and indicated that monies applied to base underfunding for mental health and medicaid would be exempted from the spending affordability calculation.

### **Governor's Spending Plan As Introduced**

The Governor produced a spending plan to address the needs of 2002 and 2003, which formed the cornerstone of the allowance. The original budget totaled \$22.0 billion (excluding \$128.1 million in contingent reductions through BRA), which was 2.1 percent higher than the fiscal 2002 adjusted appropriation (i.e., including proposed deficiency appropriations and excluding cost containment withdrawals approved by BPW). On a spending affordability basis, the proposed budget (including deficiency appropriations) provided for an increase of 4.89 percent; \$128.7 million over the 3.95 percent spending limit recommended by SAC. This was largely because the allowance did not provide the full base funding for Medicaid, which would have made the appropriation exempt from the calculation.

Excluding allocations to the State Reserve Fund and large decreases in PAYGO capital funding, the allowance provided for 1,517.9 new positions, fringe benefit cost

increases, employee compensation enhancements (including a 2 percent cost-of-living adjustment effective January 1, 2003, performance bonuses, and increments), additional funding for higher education (albeit at a lower level than in prior years), higher entitlement costs associated with Medicaid, and various health and environmental enhancements.

### **Budget Reconciliation Act**

To achieve a balanced budget for fiscal 2002 and 2003 the administration submitted a reconciliation act to transfer one-time balances from a variety of special and nonbudgeted sources to the general fund and to implement other statutory changes to permit reductions. Examples of the larger proposed transfers included:

#### **Fiscal 2002**

- \$70 million from the Maryland Automobile Insurance Fund (MAIF), including a legally questionable transfer of \$50 million from the insured division and \$20 million from the uninsured division;
- \$69.9 million from the Dedicated Purpose Fund (DPF) representing the unexpended portion of monies set aside to replace the Woodrow Wilson Bridge and construct an Addison Road Metro extension;
- \$29.0 million from PAYGO capital fund balances for housing and economic development programs; and
- \$11.0 million from the State's self insurance trust fund within the budget of the State Treasurer's Office.

#### **Fiscal 2003**

- \$32.2 million from the Injured Workers' Insurance Fund (IWIF) which the State had paid toward its unfunded liability;
- \$18 million from the Maryland Transportation Authority (MdTA); and
- \$16.6 million from the fund balance of the University System of Maryland (USM).

An additional \$128 million in savings was proposed to be realized through mandate relief for certain statutory funding requirements. This included:

- restricting aid to non-public higher education and aid to community colleges for one year;
- deferring the electricity generating equipment property tax grant to local jurisdictions and eliminating the property tax exemption for one year;
- reducing the contribution to the State's retirement system;
- deferring payments under the Private Donation Incentive Program; and
- capping the State's tourism board funding.

## Revenue and Reversion Assumptions

**General Fund Revenues:** As part of the budget submission, the Governor assumed additional revenues beyond that estimated by BRE. For fiscal 2002 this included \$1.1 million to recognize prior year educational funds that had been held in reserve. For fiscal 2003 an added \$5.0 million was forecast due to higher lottery activity, \$1.6 million was included in the expectation that tax enforcement and compliance following the completion of tax amnesty would yield more revenue, and \$177.4 million was budgeted as part of the administration proposal to eliminate the final phase of the multi-year income tax reduction. Finally, a voluntary contribution of \$400,000 from the Maryland Environmental Service to the general fund was assumed in fiscal 2003.

**General Fund Reversions:** As introduced, the Governor's spending plan made assumptions for additional general fund reversions in fiscal 2002 and 2003. For fiscal 2002, in addition to the \$25 million figure normally used for budget estimation, the administration assumed \$279.6 million in PAYGO capital reversions, \$7.2 million from restricted general funds in the Department of Human Resources (DHR), and cost containment contributions from the Judiciary (\$1.0 million) and the Legislature (\$0.2 million).

The fiscal 2003 budget assumed general fund reversions of \$46 million. Prior to the 2001 session it had been the practice of the administration to assume reversions of \$25 million, although a higher number was assumed when the fiscal 2002 allowance was submitted. Sufficient reductions were made to the budget last session to permit the Governor to restore the estimate of reversions to its customary level in Supplemental Budget No. 2. Given the cost containment actions taken to reduce agency budgets, the attainment of this level of reversion was viewed skeptically.

**Structural Balance:** Taking the general fund revenues, additional revenues, and reversion assumption into consideration, the budget, as introduced, showed an estimated closing balance of \$4.5 million. However, in a business sense (i.e., comparing ongoing

revenues to ongoing operating expenses), the budget reflected a revenue shortfall of \$937 million in fiscal 2003. This figure was later to be increased to more than a billion dollars based on a further write down of revenues by BRE in March 2002.

## Legislative Consideration of the Budget

At the outset of the session, legislative leadership recognized the magnitude and complexity of the fiscal problem facing the State. It was determined that a consensus with respect to certain policy objectives would be needed in order to establish a framework for making decisions on the operating and capital budgets and legislation such as the Budget Reconciliation Act. The foundation for the 2002 session was built upon the following areas of consensus:

- ***A Multi-year Approach:*** Given the magnitude of the structural deficit, it was decided that it would require at least two years to restore equilibrium between operating revenues and expenses. The goal for the 2002 session was to halve the deficit, which would position the State to complete actions to eliminate the deficit during the 2003 session;
- ***Honoring the Income Tax Cut:*** The final phase of the 10 percent income tax reduction went into effect on January 1, 2002. Honoring the commitment to the taxpayers was viewed as an integral element of the spending plan; and
- ***Holding the Line on Additional Debt:*** To supplement the general fund balance, SAC had recommended the issuance of additional debt to allow for the withdrawal of prior year PAYGO capital appropriations. Given the magnitude of funds to be withdrawn it was apparent that all project commitments could not be funded in one year without additional debt. The decision was made to stay within the SAC recommendation with respect to the level of debt to be issued.

***State of the Economy/BRE Write Down:*** By mid-session the national economy was beginning to recover, while the U.S. Congress continued to debate economic stimulus legislation. Despite the apparent good news, BRE revised its estimate of general fund revenues downward by \$249.1 million (\$124.4 million for fiscal 2002 and \$124.7 million for fiscal 2003) due to a decline in tax receipts related to capital gains. The revenue write down raised the level of difficulty in meeting the legislature's policy objectives.

## Legislative Budget Actions

Actions to balance the budget involved a combination of budget reductions, contingent reductions, additional revenue actions, and other statutory changes through

the reconciliation act (renamed the Budget Reconciliation and Financing Act of 2002 or BRFA), and other legislation. **Exhibit A1.2** illustrates the final action taken by the legislature with respect to each element of the spending plan originally submitted by the Governor.

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**Exhibit A1.2**  
**General Fund Budget Summary**  
**(\$ in Millions)**

<b><u>Budget Reconciliation</u></b>	<b><u>As Introduced</u></b>	<b><u>Final Legislative Action</u></b>	<b><u>Difference from Admin.</u></b>
Freeze Income Tax Reduction	\$177.4	\$0	(\$177.4)
Revenue Changes (SB 323 and others)*	0	185.7	185.7
Transfers (BRFA)	391.9	231.8	(160.1)
Targeted Reversions	297.0	477.2	180.2
Spending Reductions	128.1	356.1	228.0
<b>Total Actions</b>	<b>\$994.4</b>	<b>\$1,250.8</b>	<b>\$256.4</b>
Initial Fund Balance (January 2002)			4.5
Lottery/PSC Reductions (net added GF)			1.8
Revised Revenue (March 2002)			(\$249.1)
<b>Fund Balance</b>			<b>\$13.6</b>

\* SB 323 provides an added \$161.0 million in revenue. Another \$20.9 million is contingent upon enactment of SB 856 which increases the tobacco tax by 34 cents per pack. \$5.5 million in revenue is contingent upon enactment of SB 93, which would establish multi jurisdictional lotteries, and there is a \$1.7 million revenue loss resulting from SB 399 that allows an income tax modification for rollovers of individual retirement accounts.

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**Income Tax Cut:** The goal to retain the final phase of the income tax reduction was met.

**Revenues:** BRFA provides \$161.0 million in fiscal 2003 revenues based on changes in vendor discounts (some for only a two-year period), decoupling from federal tax changes, and recapturing certain revenues that had been diverted to the Transportation Trust Fund (TTF) during the 2001 session to support the transit initiative. In addition, a portion of the transfer tax will also be divided between the general fund and program open space for a two-year period.

**Transfers:** Final action on BRFA resulted in a lessened reliance on one-time transfers, enabling the legislature to meet two goals. First, overall changes that were of



a structural nature permitted compliance with the SAC recommendation for changes that would lessen the structural deficit. Secondly, it was possible to eliminate proposed transfers that raised policy issues, established poor fiscal precedents, or were legally questionable. Transfers that were not adopted included the proposals related to the insured division of MAIF, the use of the MdTA, the USM fund balance, the reserve fund for future welfare costs, the emergency medical services operations fund, the 9-1-1 emergency number fund, the self insurance trust fund, and uncompensated hospital care monies.

**Reductions:** The legislature reduced the Governor's fiscal 2002 deficiency items by \$0.9 million and pared the fiscal 2003 allowance by \$354.7 million. The largest reductions were effected through savings in personnel costs. These include \$25.0 million from eliminating the 2 percent cost-of-living adjustment, \$11.0 million from adopting a ceiling that limits the number of full-time regular positions at 75,600 (it is expected that sufficient vacancies exist in State government to accommodate this reduction, and a change in the BPW's authority to create 500 positions instead of the usual 50), and \$8.7 million from one-time pay for performance bonuses.

Other spending reductions were made to defer or scale back various PAYGO capital projects and programs (\$52.7 million), defer information technology project spending to (\$40.0 million), and limit general fund support for USM (\$25.2 million), aid to community colleges and Baltimore City Community College, aid to nonpublic institutions of higher education, circuit court lease payments, and law clerk costs. Additional reductions of \$123.9 million were made contingent upon enactment of BRFA. These reductions consisted of savings generated through:

- reduced program open space spending, since provisions were adopted to transfer 50 percent of the transfer tax to the general fund (\$58.5 million);
- adoption of a revised actuarial retirement contribution methodology (\$48.9 million);
- a reduction in debt service to recognize receipt of a bond premium (\$14.0 million); and
- a reduction in tourism development (\$2.5 million).

The proposed contingent reduction to the electricity generating grant was not adopted.

BRFA also rebased the higher education aid and tourism funding formulas, helped address base budget underfunding of the Medicaid and mental health programs, and made other changes to funds, policies, and practices.

**Final Action Relative to Spending Affordability:** Final action by the legislature reduced the budget to a 3.4 percent growth rate as measured on a spending affordability basis. This is \$71.5 million below the 3.95 percent recommended level. The budget under spending affordability is illustrated in **Exhibit A1.3**.

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**Exhibit A1.3**  
**Summary of the Budget under Spending Affordability**

<u>Funds</u>	<u>2001 Session</u>	<u>2002 Session</u>	<u>Funding Change</u>	<u>Percent Change</u>
General	\$10,219.5	\$10,476.3	\$256.8	2.51%
Special	2,333.7	2,471.8	138.1	5.92%
Higher Education	1,199.2	1,276.0	76.8	6.40%
<b>SAC Growth</b>	<b>\$13,752.4</b>	<b>\$14,224.1</b>	<b>\$471.7</b>	<b>3.43%</b>
<b>SAC Limit</b>	<b>\$13,752.4</b>	<b>\$14,295.6</b>	<b>\$543.2</b>	<b>3.95%</b>

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**Budget-related Legislation**

Several pieces of legislation, if enacted, are expected to have an impact on current and future revenues and spending. *Senate Bill 93 (passed)* and *Senate Bill 856 (passed)* would both provide of revenues that are expected to assist in balancing the fiscal 2003 budget. *Senate Bill 856* would also establish new levels of expenditures for primary and secondary education, with significant out-year implications. Other significant legislation would extend teacher scholarships and provide grants for local infants and toddlers programs.

**Multijurisdictional Lottery:** *Senate Bill 93* authorizes the State Lottery to operate multi-jurisdictional lotteries in other states or countries. This would allow the opportunity to increase sales and revenue by attracting new players and creating greater interest among existing players. The State could participate in Lotto South or in new games offered by the International Lottery Alliance. An additional \$5.5 million in general funds is projected for fiscal 2003.

**Bridge to Excellence in Public Schools Act:** *Senate Bill 856* provides significantly enhanced funding for primary and secondary education, which ramps up over a multi-year period. A portion of these expenses would be offset somewhat by the imposition of an additional 34 cent tobacco tax (raising the rate to \$1.00 per pack). The tax is expected to provide slightly more than \$100 million in fiscal 2003, of which approximately \$80 million would support initial implementation with the \$20.9 million balance supplementing the general

fund. Out-year spending would increase, ultimately approaching \$950 million by fiscal 2007. A provision of the legislation requires the General Assembly to affirm by joint resolution at the 2004 session that the additional State aid is within the State's fiscal resources for fiscal 2005. If the joint resolution is not adopted required aid increases are limited to 5 percent.

**Higher Education – Teaching Assistants:** *Senate Bill 734/House Bill 1172 (both passed)* would expand eligibility for the Maryland Teacher Scholarship Program to include teaching assistants who have met certain criteria. Additional spending of about \$3.0 million annually would be required.

**Maryland Infants and Toddlers Act of 2002:** *Senate Bill 419/House Bill 371 (both passed)* would create a State funding formula to provide grants to local infants and toddlers programs. Out-year expenses could require \$1.3 million in fiscal 2004 and increase to \$8.6 million by fiscal 2007

### Outlook for Future Budgets

As shown in **Exhibit A1.4**, a potential budget shortfall of \$919.1 million is projected to exist by the end of fiscal 2004. By fiscal 2007, the potential shortfall is expected to approach \$2 billion. The factors behind the projected shortfall include increased costs for current services, legislation, and the funding of current services in fiscal 2003 with \$754 million of one-time revenues. As shown in the exhibit, the State has contingency resources in excess of \$500 million in the Rainy Day Fund which are available to mitigate the problem.

**Current Services:** Cost increases, associated with salary and fringe benefit growth (e.g., increments and health insurance), inflation (particularly medical inflation), local aid, and the continued implementation of legislation enacted in prior years, are anticipated. Caseload and entitlement growth, particularly for Medicaid, are also expected to drive future spending needs.

**Legislation:** Forecasted revenues are increased by \$172.8 million in fiscal 2003 largely due to *Senate Bill 323 (passed)* the Budget Reconciliation and Financing Act, and *Senate Bill 856*. The level of revenue gain increases to an estimated \$250 million in fiscal 2004 and then dips to about \$200 million per annum from fiscal 2005 through 2007. The drop in revenues after fiscal 2004 reflects sunset dates for many of the revenue provisions in *Senate Bill 323* and the expectation that tobacco tax revenues will decline over time as consumption falls.

Legislation passed at the 2002 session will have a significant impact on State expenditures, increasing fiscal 2004 costs by \$150.8. By fiscal 2007, the costs of legislation passed at the 2001 session could exceed \$1 billion. Most of the increase in

**Exhibit A1.4**  
**General Fund Forecast**  
(\$ in Millions)

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<b>Revenues</b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>
Fund Balance	\$538.4	\$420.3	\$13.6	-	-	-
Transfer from Rainy Day Fund	533.2	249.0	0.4	4.3	-	-
BRFA One-time Transfers	280.9	85.2	-	-	-	-
	<b>\$1,352.5</b>	<b>\$754.5</b>	<b>\$14.0</b>	<b>\$4.3</b>	-	-
Operating Revenues	\$9,627.6	\$9,671.5	\$10,191.2	\$10,631.4	\$11,186.7	\$11,761.9
Miscellaneous Revenue Adjustment	1.1	-	-	-	-	-
Revenue Actions – Legislation	-	172.8	250.5	203.7	209.0	192.1
	<b>\$9,628.7</b>	<b>\$9,844.3</b>	<b>\$10,441.7</b>	<b>\$10,835.1</b>	<b>\$11,395.7</b>	<b>\$11,954.0</b>
<b>Total Revenues</b>	<b>\$10,981.2</b>	<b>\$10,598.8</b>	<b>\$10,455.7</b>	<b>\$10,839.4</b>	<b>\$11,395.7</b>	<b>\$11,954.0</b>
<b>Spending</b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>
Operating Spending	\$10,042.8	\$10,413.5	\$11,165.9	\$11,720.2	\$12,264.3	\$12,833.3
Expenditure Actions – Legislation		(12.9)	150.8	385.6	696.7	1,034.9
	<b>\$10,042.8</b>	<b>\$10,400.6</b>	<b>\$11,316.7</b>	<b>\$12,105.8</b>	<b>\$12,960.9</b>	<b>\$13,868.2</b>
PAYGO Capital	366.4	49.6	83.0	104.1	95.5	89.6
Appropriation to Reserve Fund	176.8	181.0	-	0.3	-	10.0
	<b>543.1</b>	<b>230.6</b>	<b>83.0</b>	<b>104.3</b>	<b>95.5</b>	<b>99.6</b>
Nondesignated Reversions	(25.0)	(46.0)	(25.0)	(25.0)	(25.0)	(25.0)
<b>Total Expenditures</b>	<b>\$10,561.0</b>	<b>\$10,585.2</b>	<b>\$11,374.8</b>	<b>\$12,185.1</b>	<b>\$13,031.4</b>	<b>\$13,942.8</b>
<b>Ending Balance</b>	<b>420.2</b>	<b>13.6</b>	<b>(919.1)</b>	<b>(1,345.7)</b>	<b>(1,635.7)</b>	<b>(1,988.8)</b>
<b>Revenue Stabilization Fund</b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>
Ending Balance	548.2	500.5	522.1	541.8	564.2	597.7
Pct of GF Revenues	0.1	0.1	0.1	0.1	0.0	0.1
5% of GF Revenues	481.4	492.2	522.1	541.8	569.8	597.7
Excess over 5%	66.7	8.3	0.0	0.0	(5.6)	0.0

The 90 Day Report

general fund spending is attributable to *Senate Bill 856*, The Bridge to Excellence in Public Schools Act, which increases State education spending. **Exhibit A1.5** demonstrates that *Senate Bill 856* accounts for about half of the general fund budget gap forecast for fiscal 2007. However, this impact can be mitigated if the joint resolution is not adopted during the 2004 session.

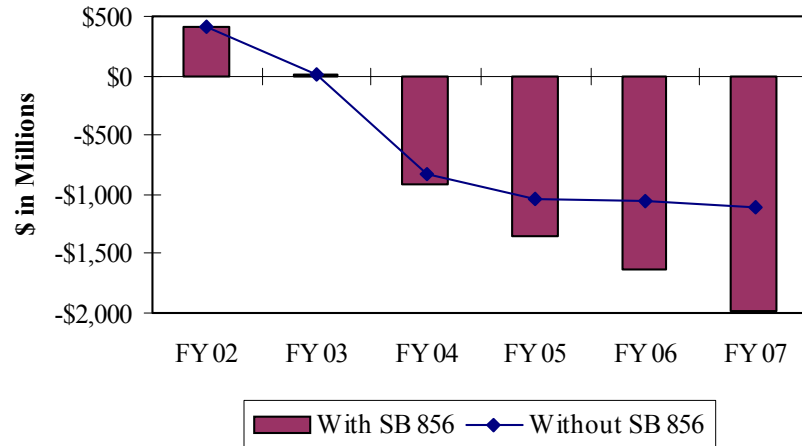
Assuming that economic growth proceeds at a moderate pace as forecast by the BRE, addressing the potential shortfall in fiscal 2004 and beyond will require some combination of programmatic reductions and revenue enhancements. To better prepare for actions which may be contemplated at the 2003 and 2004 sessions, the legislature adopted *House Bill 1 (passed)* to establish a Commission on Maryland's fiscal structure. The commission is charged with examining the State's budget process and tax structure. Recommendations on funding education, transportation, and health care are to be submitted in 2002 and 2003.

### **Postscript**

In late February/early March the State prepared to sell \$312.8 million in general obligation bonds to support the capital program and refund previously authorized debt. All three of the major rating agencies (i.e., Fitch, Moody's, and Standard & Poor's) gave Maryland another AAA rating. The ratings examined the diversity of the State's economy, wealth and income levels, financial management and performance, the continued existence of the 5 percent reserve in the Rainy Day Fund, and debt burden. The ratings reflected favorably on the State's financial management and policies.

## Exhibit A1.5

### General Fund Forecast With and Without SB 856



### The Budget Reconciliation and Financing Act of 2002

The Budget Reconciliation and Financing Act of 2002 or BRFA, [\*Senate Bill 323 \(passed\)\*](#) constitutes an integral component of the plan to ensure a balanced budget in both fiscal 2002 and 2003. **Exhibit A1.6** summarizes the fiscal provisions of BRFA for fiscal 2002 and 2003.

#### Exhibit A1.6 Budget Reconciliation and Financing Act of 2002 Summary of Financial Provisions General and Special Funds

<u>BRFA Action</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Total</u>
Transfers	\$146,235,967	\$85,200,000	\$231,435,967
Withdrawn Appropriations	468,807,761	0	468,807,761
Revenues	0	166,744,339	166,744,339
<b>Total</b>	<b>\$615,043,728</b>	<b>\$251,944,339</b>	<b>\$866,988,067</b>

**Transfers:** The BRFA effects a number of one-time transfers from various funds. The four largest, accounting for 55.5 percent of the transfers, are outlined below. **Exhibit A1.7** lists all transfers in fiscal 2002 and 2003.

- \$39.3 million from the State Reserve Fund's DPF which was set aside to finance increases in welfare costs associated with a recession. These funds were set aside over the past few years as the State used remaining federal funds. Following this transfer, in addition to two fiscal 2002 deficiency actions, the special funds remaining for this purpose will approximate \$11.4 million;
- \$39.2 million from the nonbudgeted IWIF. These funds represent a portion of the State's reserve toward the liability for State employees workers' compensation. The State has appropriated \$20 million annually toward the unfunded liability. This transfer will extend State payments to IWIF for an additional two fiscal years;
- \$29.8 million from DPF represents a portion of the funds to construct the replacement of the Woodrow Wilson Bridge and a new Addison Road Metro extension. In addition, BRFA authorizes \$40.1 from this portion of DPF to be transferred by budget amendment to be spent for specific expenditures. **Exhibit A1.8** lists all items for which authorization is provided. The combined effect of the transfer and authorization is that no funds will remain in DPF for the originally intended purpose. Actions taken with respect to the TTF will permit MDOT to fund these projects, and are discussed in the Transportation subsection of this part.
- \$20.0 million from the nonbudgeted MAIF. MAIF's uninsured motorist division provides funds for Maryland residents who are involved in accidents in Maryland with uninsured motorists and "hit and run" drivers. Funding is provided from a portion of uninsured motorist penalties. During the 2001 session this fund source was diverted to support the transit initiative, which, in conjunction with this transfer, would have imperiled the viability of the fund. BRFA restores the flow of uninsured motorist penalties to this account in MAIF.

**Withdrawn Appropriations:** BRFA withdraws \$468.8 million in general fund appropriations made in prior years. This includes \$457.2 million in PAYGO capital appropriations made between fiscal 1999 and 2002, much of which is now funded with general obligation bonds. Another \$11.6 million is withdrawn from the Maryland State Department of Education (MSDE), the State Board of Elections (SBE), and the State's contribution to public higher education. **Exhibit A1.9**, provides the detail on these withdrawals. A list of every PAYGO capital project for which funding was withdrawn can be found in the Capital Budget section.

**Exhibit A1.7**  
**Budget Reconciliation and Financing Act of 2002**  
**Fiscal 2002 and 2003 Transfers**

	<u><b>FY 2002</b></u>	<u><b>FY 2003</b></u>
Maryland Automobile Insurance Fund	\$20,000,000	
Wilson Bridge/Addison Road (DPF)	29,783,320	
Welfare Reserve (DPF)		\$39,300,000
Program Open Space Unexpended Balances	15,000,000	
DBED Economic Dev. Opportunities Fund	7,500,000	
DBED MD Economic Assistance Auth. Fund	8,500,000	
DBED MD Industrial Dev. Financing Auth.	5,000,000	
DBED Smart Growth Econ. Dev. Inf. Fund	2,000,000	
DHCD Home Ownership Programs Fund	6,500,000	
DHCD Neighborhood Business Dev. Fund	2,500,000	
DHCD Special Loan Programs Fund	1,000,000	
State Self Insurance Fund (Treasurer)	5,000,000	
Waterway Improvement Fund	8,000,000	
Transfer Tax Overattainment	11,227,425	
9-1-1 Emergency Number Fund	1,000,000	
Insurance Regulation Fund	2,000,000	
State Use Industries	2,000,000	
Used Tire Cleanup Fund	2,500,000	
Foreign Vehicle Registration Fund	553,710	400,000
DHMH Boards and Commissions	304,343	
Small Business Pollution Control Fund	617,169	
DBM Central Collection Unit	150,000	150,000
HSCRC Admin. Fund	100,000	
Maryland Heritage Authorities Fund	3,000,000	
Joseph Fund	8,000,000	
Maryland Food Center Authority	3,000,000	
Maryland Stadium Authority	1,000,000	
Racing Redevelopment Bond Fund		3,700,000
Injured Workers' Insurance Fund		39,200,000
Cigarette Restitution Fund		2,450,000
	<b>\$146,235,967</b>	<b>\$85,200,000</b>



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**Exhibit A1.8**  
**Budget Reconciliation and Financing Act of 2002**  
**Summary of Authorized Appropriations**  
**From the Dedicated Purpose Fund**

<b><u>Authorized Appropriations</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>
DPSCS: Hagerstown Central Kitchen		\$3,441,00
Charlotte Hall Veterans Home	661,000	2,600,000
UMMS Primary Care and Mental Health		3,000,000
East Baltimore Biotechnology Park		2,000,000
Annapolis Government Complex Security		1,400,000
Maryland Primary Care Program		1,111,000
Attorney General Legal Expenses		850,000
Dept. of General Services: Security	292,000	500,000
Governor's Salary Commission Recommendations		78,353
<b>Subtotal</b>	<b>\$953,000</b>	<b>\$15,980,353</b>
<b>Items Contingent on Enactment of SB 856</b>		
UMBC Public Policy Institute		\$15,338,000
UMB Structural Deficit		3,000,000
University System of Md Deferred Maintenance		2,800,000
Morgan State University Deferred Maintenance		1,000,000
Community College Formula/BCCC		1,000,000
<b>Subtotal</b>		<b>\$23,138,000</b>
<b>Grand Total</b>	<b>\$953,000</b>	<b>\$39,118,353</b>

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**Exhibit A1.9**  
**Budget Reconciliation and Financing Act of 2002**  
**Operating Budget Withdrawn Appropriations from Prior Fiscal Years**

<u>Agency</u>	<u>Purpose</u>	<b>FY 2002 General Funds Withdrawn</b>
MSDE	Current Expense formula enrollment adjustment	\$450,000
MSDE	Unspent Teacher Salary Challenge funds	550,000
SBE	Voting machine cash flow	1,979,000
Higher Education	Cost containment assumed in Governor's plan	8,581,011
<b>Subtotal</b>		<b>\$11,560,011</b>

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**Revenues:** BRFA includes provisions which increase fiscal 2003 general fund revenues by \$161.0 million, and special fund revenues by \$5.7 million. The actions modify the percentages for various vendor discounts, decouple from federal changes to the estate tax and tuition deduction, recover revenues which had been redirected to the TTF to support the transit initiative, reduce the period for the presumption of abandoned property from five to four years, and change the transfer tax distribution to provide 50 percent of attainments to the general fund. Additional action was taken to decouple the State due to revenue losses unofficially estimated at \$98.4 million (\$85.1 million general funds and \$14.3 million special funds) related to the federal Job Creation and Worker Assistance Act of 2002 (economic stimulus).

Approximately one-third of the general fund revenue actions taken in BRFA are in effect for only a two-year period, and will sunset at the end of fiscal 2004. **Exhibit A1.10** illustrates the revenue actions in BRFA.

**Rebasing Statutory Funding Formulas:** The fiscal 2003 budget reflects reductions made to formulas that provided State funding for community colleges (including Baltimore City Community College), nonpublic institutions of higher education, and the Maryland Tourism Development Board Fund. To provide some out year savings related to these reductions, the statutory methodology related to each formula was rebased. The specifics for each formula are summarized below. As set out in BRFA, the formulas would return to current levels in either fiscal 2006 or 2007.

**The Joseph A. Sellinger Program for Aid to Nonpublic Institutions of Higher Education:** The formula is adjusted to 14.3 percent of the State's general fund appropriation per full-time equivalent student (FTES) to the four-year public institutions of higher education. The percentage increases to 15.2 in fiscal 2005, before final restoration to the 16 percent level in fiscal 2006;

**Exhibit A1.10**  
**Budget Reconciliation and Financing Act of 2002**  
**Additional Fiscal 2003 Revenues**

	<b><u>General Funds</u></b>	<b><u>Special Funds</u></b>	<b><u>Nonbudgeted Funds</u></b>
<b>Vendor Discounts</b>			
Sales Tax (1)	\$10,806,529		
Motor Fuel		\$1,400,000	
Motor Vehicle Excise (1)		2,000,000	
Energy Generation Surcharge		71,753	
Emergency Telephone System Fee		234,938	
Tire Recycling Fee		12,534	
<b>Decoupling from Federal Changes</b>			
Estate Tax	20,600,000		
Tuition Deduction	13,000,000		
<b>Recovering from the TTF</b>			
Sales Tax on Short-Term Rentals	25,300,000		
Security Filing Fees	4,950,000		
Personalized Registration	1,600,000		
Uninsured Motorist Fines	12,500,000	2,000,000	2,000,000
<b>Transfer Tax (1)</b>	47,268,585		
<b>Abandoned Property</b>	25,000,000		
<b>Total (2)</b>	<b>\$161,025,114</b>	<b>\$5,719,225</b>	<b>\$2,000,000</b>

- (1) In effect for fiscal 2003 and 2004 only.
- (2) Totals do not reflect additional provisions to decouple revenue losses expected from the federal Job Creation and Worker Assistance Act of 2002 (economic stimulus). This includes revenue losses unofficially estimated at \$98.4 million (\$85.1 million general funds and \$14.3 million special funds) in fiscal 2003.

**The Senator John A Cade Funding Formula for the Distribution of Funds to Community Colleges:** The aid to community college percentage is reduced from 25 to 23.1 percent of funding per FTES for fiscal 2003 and 2004; before increasing to 24 percent in fiscal 2005, and 25 percent in fiscal 2006;

**Baltimore City Community College:** Aid is reduced from 66 to 60.9 percent per FTES for fiscal 2003 and 2004, then increases to 63.4 percent in fiscal 2005, and 66 percent in fiscal 2006;

**Maryland Tourism Development Board Fund:** Appropriations to the fund are capped at \$6.0 million in fiscal 2003 and 2004. The funding grows to \$7.0 million for fiscal 2005 and 2006, and \$8.5 million for fiscal 2007 and beyond.

***Other Provisions of BRFA:*** Other budget-related provisions of BRFA pertain to changes in underfunded health and human services programs, reporting requirements for general fund PAYGO capital projects, State personnel, transportation, the State Reserve Fund, and actions made in the budget.

**Underfunded Health and Human Services Programs:** Amendments were adopted which sought to address under funding of the base budgets for Medicaid and mental health programs. The specific actions included:

- Tobacco settlement escrow payments will be captured in a special fund. The first \$20.0 million is to be applied to cancer and tobacco programs, with the remaining \$73.0 million used to address a Medicaid deficit for fiscal 2002 and 2003;
- 25 percent of the Cigarette Restitution Fund will be appropriated for Medicaid for fiscal 2003 through 2006;
- Additional federal disproportionate share hospital payment recoveries, estimated to be a combined \$54 million in fiscal 2002 and 2003 (and approximately \$14 million per year thereafter) are used to fund a shortfall for services provided by the Mental Hygiene Administration; and
- DHR may carry over \$1.5 million from fiscal 2002 into fiscal 2003, for the Medicaid waiver for home and community-based services for adult individuals with disabilities.

**PAYGO Capital:** A recommendation of SAC was adopted which requires that for the out-years, the *Capital Improvement Program* should not include general fund PAYGO for projects/programs that are tax-exempt debt eligible. Since the amount of surplus general funds for one-time PAYGO is not known, this change will prevent monies from being over committed for future spending. Annual budget bill language is also codified to require separate programs and subprograms for PAYGO projects funded in each budget bill.

**Personnel:** BRFA implements a new actuarial methodology for part of the State retirement system, establishes a deadline for completion of collective bargaining agreements, and implements the recommendations of the Governor's Salary Commission.

**Transportation:** Apart from the revenue changes enumerated under the revenues subsection, BRFA increases the limit on maximum debt outstanding for Consolidated Transportation Bonds from \$1.2 billion to \$1.5 billion; deletes an obsolete Right-of-Way Revolving Fund account in the TTF and transfers the \$8.0 million balance to the TTF; and makes a technical change to the portion of the corporate income tax distributed to the TTF, to reflect the 24 percent that is actually allocated to it.

**State Reserve Fund:** The “sweeper” provision of the Revenue Stabilization Fund is codified to require that any general fund surplus at the end of a fiscal year, in excess of \$10.0 million dollars, is to be appropriated to the fund. In addition to an \$8.0 million transfer from the Joseph Fund to the general fund, the Act permits \$3.3 million of the balance to be used for a Temporary Cash Assistance increase on January 1, 2003. The remainder of the Joseph Fund balance is to be used to fund the cost of this increase in fiscal 2004.

**Miscellaneous Provisions:** Other provisions implement the following actions, which:

- Permit the Law Enforcement and Correctional Training Fund to be used to support the operations of the Police and Correctional Training Commissions;
- Permit the Health Claims Arbitration Fund to be used to support operations of the Health Claims Arbitration Office;
- Repeal bonds, obligations on bonds, and direct the defeasement of bonds for the nonbudgeted Maryland Food Center Authority. These actions were taken to mitigate a transfer of \$3.0 million in fund balance to the general fund;
- Allow a portion of the Waterway Improvement Fund to be used for administrative expenses of the Department of Natural Resources for two years while a study group examines issues related to the program;
- Defers unfunded payments for Private Donation Incentives and Innovative Partnerships for Technology Donation Incentives until fiscal 2004;
- Defers State payments for circuit court law clerks six months, until January 1, 2003.
- Permits a \$14.0 million reduction in debt service in recognition of a bond premium received at the most recent sale of general obligation bonds; and
- Permits up to \$4.5 million from the takeout allocation of the Racing Facility Redevelopment Bond Fund to be used to increase horse racing purses.

## Selected Budgetary Initiatives

The budget typically provides funding for new initiatives and enhancements which are not related to legislation. While the fiscal 2003 budget is no exception, the austere fiscal condition provides for fewer such opportunities than in prior years

### State Government

**Information Technology:** Based on concerns about the State's inability to effectively oversee the development of major information technology projects, in fiscal 2002 budget deliberations the legislature adopted budget bill language withholding \$4 million until the Department of Budget and Management (DBM) submitted a detailed action plan outlining proposed reforms to improve such oversight. DBM submitted that report in January 2002. The fiscal 2003 appropriation for the Office of Information Technology (OIT) within DBM reflects those reforms.

In the broadest sense, the information technology reform proposal is to establish a structure to ensure that new and ongoing projects are developed on time, on budget, and meet the needs of the agency developing the system. In addition to a revised organizational structure, the plan also lays out required standards, policies, and procedures that must be established to effect those goals. The role of OIT, headed by the State Chief Information Officer (CIO), will be to review and approve information technology projects, monitor the development of those projects at key points in the development process (through a Systems Development Life Cycle methodology), and improve information technology skills within individual agencies. Despite significant budget reductions to major information technology projects across all State agencies, the fiscal 2003 appropriation for information technology reform retained the original \$18.8 million request.

Building on this reform plan, the legislature also adopted cross-filed bills (*Senate Bill 491/House Bill 835 (both passed)*) which strengthened the authority of the State CIO by giving the CIO greater budgetary control of information technology budgets in many areas of State government and offering greater specificity of the mandate for the CIO.

### Health

**Physician Rates:** Maryland's Medicaid physician rates have not increased in more than a decade. Medicaid rates are currently about one-third of the federal Medicare rates for the same procedures. About \$400 million would be required for the State to reimburse physicians at the Medicare rate for all procedures. Insufficient reimbursement rates are cited as the primary reason physician participation in the Medicaid program is dwindling in certain parts of the State. The fiscal 2003 budget includes \$50 million, \$25 million of State general funds and \$25 million of federal matching funds, to raise

physician rates for selected procedures. The additional funds target evaluation and management procedures.

***Mental Health:*** The fiscal 2003 appropriation for the Mental Hygiene Administration (MHA) represents a \$62 million increase over the fiscal 2002 working appropriation (9.5 percent), \$44 million in general funds and \$18 million in federal funds. The bulk of this funding (\$42 million) is an increase in community-based mental health services, most of which are delivered through a fee-for-service system. Most of the remainder (\$19 million) is directed to State-run Psychiatric Facilities.

Although the fiscal 2003 appropriation represents a significant increase over the current year, funding for the fee-for-service community-based mental health system remains below the level of current service provision. It is anticipated that the fee-for-service community-based mental health system will close-out fiscal 2002 with a \$50 million-plus deficit. Actions taken by the legislature in [\*Senate Bill 323\*](#) (The Budget Reconciliation and Financing Act) capture higher-than-anticipated federal disproportionate share payments in fiscal 2002 and 2003 and dedicate those funds to address this deficit. It is estimated that these adjusted payments will yield an additional \$40 million in fiscal 2002 and \$14 million in fiscal 2003.

While MHA continues to try to restrain growth in service expenditures, the fiscal 2003 appropriation is anticipated to be as much as \$15 million to \$20 million below current service levels. This structural deficit in the fee-for-service community-based mental health system is not addressed in other legislation. Rather, budget bill language requires MHA to restructure community mental health services in order that it can live within its fiscal 2003 appropriation. This restructuring will include moving to a system of grants and contracts to serve the uninsured, a population currently served through the fee-for-service system.

***Developmental Disabilities Administration Increase:*** The budget for the Developmental Disabilities Administration (DDA) grows \$51 million in fiscal 2003. The increase is the result of several recent initiatives intended to increase access to and quality of community services. The first initiative, the Waiting List Initiative, enters its fifth and final year in fiscal 2003. The initiative, designed to reduce the waiting list for community services, will serve 5,977 individuals by the end of fiscal 2003. In the final year of the initiative, the expansion of community services totals \$19 million and rate enhancements for providers of community services total \$9 million. Fiscal 2003 also marks the first year of an initiative to increase wages for community direct service workers. Concern that direct care workers employed by community providers were not being compensated at the rate of employees in State residential centers led to legislation, enacted in 2001, to eliminate the wage disparity over a five-year period. In its first year the initiative will cost \$16 million. The remainder of the increase supports moving individuals from the State residential centers to community settings.

***Substance Abuse Treatment Programs:*** The budget for the Alcohol and Drug Abuse Administration (ADAA) increases \$14 million in fiscal 2003 to support the expansion of substance abuse treatment programs across the State. The largest increase, \$7 million in general funds, will support the expansion of treatment services in Baltimore City as part of a three-year commitment to increase treatment capacity in the city. With the addition of these funds in fiscal 2003, support for treatment programs in Baltimore City will total \$46 million, a 114 percent increase in funding over fiscal 2000 levels. The fiscal 2003 budget also supports an increase in Substance Abuse Treatment Outcomes Partnership (STOP) funding. This program distributes matching funds to jurisdictions for substance abuse treatment services. Funding for the STOP program grows 132 percent in fiscal 2003 to \$7.2 million. The remaining increase in ADAA provides continuing support for treatment and prevention programs as well as salary increases for substance abuse providers.

## **Education**

***Higher Education Office for Civil Rights Enhancements:*** The fiscal 2003 budget includes \$3.4 million in enhancement funding in the Maryland Higher Education Commission (MHEC) for the four historically black institutions (HBIs) pursuant to the State's Partnership Agreement with the U.S. Department of Education's Office for Civil Rights (OCR). The agreement includes commitments to make the HBIs comparable and competitive with the State's traditionally white institutions in all facets of their operations and programs. Intended uses of future enhancement appropriations include paying debt service on a projected \$75 million in capital projects at the four HBIs. The budget bill also expresses the intent of the General Assembly that the Governor increase the OCR enhancement appropriation in fiscal 2004 to reflect the partial deferral of enhancement funds in fiscal 2003. The budget bill also requires MHEC to report to the budget committees its spending plan for \$3 million of these funds prior to expenditure and directs \$400,000 of the enhancement funding to support the purchase of personal computers for low-income students at Morgan State University. The budget bill also includes \$1.2 million in information technology funding in DBM to support the same activity for the three HBIs within USM.

In addition, Access and Success funding in MHEC for the four HBIs increases by \$1.5 million. These funds support student retention activities. The increase in this program fulfills one of the commitments of the agreement. The General Assembly also directs the USM Board of Regents to provide a proportional increase in general funds to its three HBIs if the board provides an increase to any of its four-year institutions for fiscal 2003.

***Correctional Education:*** State law requires eligible inmates to participate in either an education or vocational training program to earn their General Education Diploma (G.E.D.) or high school diploma. Eligible inmates must participate in either the education program for at least 120 calendar days or a vocational training program.



To reduce these waiting lists and to open a school at the new North Branch Correctional Facility in Cumberland, Maryland, the budget includes \$680,165 for 30.5 new positions. MSDE noted that 21.5 positions would be used to reduce the waiting lists by 50 percent and fill some empty classrooms. The remaining 9 positions would be used to staff the school at the North Branch Correctional Facility. The funding assumes a six-month start-up period will be needed to fill these new positions.

### **Cigarette Restitution Fund**

The General Assembly established the Cigarette Restitution Fund (CRF) in 1999 to collect and redistribute monies received as a result of settling outstanding litigation with the five major tobacco companies. Legislation passed during the 2000 legislative session established the Tobacco Use Prevention and Cessation Program and the Cancer Prevention, Education, Screening, and Treatment Program to reduce tobacco use and the occurrence of cancer- and tobacco-related diseases. These programs, in addition to several other health-related programs, comprise the majority of CRF spending. Funds also support a variety of education and crop conversion initiatives. **Exhibit A1.11** indicates budget allocations for these programs.

Funding for CRF programs has been complicated by a contract dispute between the State and outside counsel originally retained to represent the State against the tobacco companies. Pending legal resolution of the contract dispute the Baltimore City Circuit Court ordered the State to place 25 percent of tobacco settlement proceeds in escrow for attorney fees.

***Settlement of the Attorney Fee Issue:*** Attorneys representing counsel originally retained to represent the State in tobacco litigation made public at the beginning of the legislative session a proposal for settlement of the attorney fee issue. Preliminary reports indicate that the Governor has negotiated a settlement under which the State would pay counsel \$150 million in five equal annual payments beginning in fiscal 2003. Pending final approval of the agreement the \$123 million currently held in escrow will be available for general use by the State. Should the fee issue be settled, the first \$30 million will be reserved for the first installment of the settlement agreement. The Budget Reconciliation and Financing Act of 2002 requires that the next \$20 million be used to fully fund the tobacco and cancer programs and the remainder, up to \$73 million, be dedicated to Medicaid. If these funds are realized, funds for health- and tobacco-related programs will total \$208 million in fiscal 2003.

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**Exhibit A1.11**  
**Cigarette Restitution Fund Budget**

	<b>Fiscal 2001 <u>Actual</u></b>	<b>Fiscal 2002 <u>Working Appropriation</u></b>	<b>Fiscal 2003 <u>Legislative Appropriation</u></b>	<b>Difference <u>2002-03</u></b>
<b>Health</b>				
Tobacco	\$7.3	\$19.7	\$20.2	\$0.5
Cancer	23.8	34.3	37.7	3.4
Substance Abuse	18.5	18.5	18.5	
Maryland Health Care Foundation	1.5	1.0	1.0	
Medical Provider Reimbursements	24.6	0.0	31.0	31.0
<b>Subtotal</b>	<b>\$75.7</b>	<b>\$73.5</b>	<b>\$108.4</b>	<b>\$34.8</b>
<b>Education (K-12)</b>				
Teachers Salaries	\$6.9	\$0.0	\$0.0	
Baltimore City Partnership	8.0	3.2	0.0	(3.2)
Academic Intervention	12.0	19.5	0.0	(19.5)
Aid to Nonpublic Schools	5.0	5.0	3.8	(1.2)
Judy Hoyer Centers	4.0	4.0	4.0	
School Wiring	0.0	0.0	1.9	1.9
Education Modernization	2.5	0.0	0.0	
Teacher Mentoring	2.5	2.5	2.5	
Teacher Certification	2.0	2.0	1.5	(0.5)
Technology Academy	1.6	1.7	1.7	
Readiness and Accreditation	3.0	3.0	0.0	(3.0)
<b>Subtotal</b>	<b>\$47.6</b>	<b>\$40.9</b>	<b>\$15.4</b>	<b>(\$25.5)</b>
<b>Higher Education</b>				
MAITI Technology	3.7	0.0	0.0	
Access/Success	1.0	1.0	1.0	
Digital Library	0.5	0.0	0.0	
<b>Subtotal</b>	<b>\$5.2</b>	<b>\$1.0</b>	<b>\$1.0</b>	
<b>Crop Conversion</b>	<b>\$9.0</b>	<b>\$6.3</b>	<b>\$6.3</b>	
<b>Attorney General</b>	<b>\$0.4</b>	<b>\$0.1</b>	<b>\$0.1</b>	
<b>Total Expenses</b>	<b>\$137.9</b>	<b>\$121.8</b>	<b>\$131.2</b>	<b>\$9.3</b>

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Source: Department of Budget and Management

## Transportation Program

The Maryland Department of Transportation (MDOT) estimates that the TTF will generate \$3.3 billion in fiscal 2003. Major revenue sources include federal funds (\$873 million), motor fuel tax receipts (\$696 million), titling tax receipts (\$658), bond sale proceeds (\$350 million), and licensing and registration fees (\$336 million).

Transportation spending totals \$3.3 billion in fiscal 2003, an 8.4 percent increase over planned fiscal 2002 spending. Appropriations are made for MDOT capital expenditures (\$1.6 billion), operating expenditures (\$1.1 billion), and debt service (\$139 million). Local highway user revenue grants are funded through the State Highway Administration budget (\$432 million). The fiscal 2003 budget funds 9,641 regular positions and 174.35 contractual FTEs.

Actions taken by the General Assembly in BRFA (see [\*Senate Bill 323\*](#) for a complete discussion) altered the flow of revenues to the TTF and increased the limit on transportation debt outstanding. **Exhibit A1.12** details BRFA provisions pertaining to transportation. The Act also made a technical change to the methodology under which the TTF receives a portion of the corporate income tax, replacing the components of the calculation which now total 24 percent of the tax.

General fund support for construction of the Woodrow Wilson Bridge and extension of the Metrorail to Largo Town Center was reduced from \$200 million over six years to \$25 million. In particular, BRFA moved fiscal 2002 funds totaling \$69.9 million from DPF to the general fund and did not proceed with the forecasted transfer of an additional \$70 million in general funds to DPF in fiscal 2003. MDOT had previously expended \$25 million in fiscal 2001.

In addition, BRFA included provisions to divert certain revenues from the TTF to the general fund, essentially undoing last session's transit initiative spending package. Chapter 568, Acts of 2001 moved general fund revenues such as uninsured motorist penalties collections and security interest filing fees from the general fund to the TTF beginning in fiscal 2002 to support the transit initiative. To continue implementation of the initiative and to supplant general funds for the bridge and Metrorail extension projects, BRFA increased the limit of allowable debt outstanding, established by statute from \$1.2 billion to \$1.5 billion. As of February 2002, MDOT estimates that debt outstanding by June 30, 2003, will reach \$1.0 billion.

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**Exhibit A1.12**  
**Provisions Relating to Transportation**  
**Budget Reconciliation and Financing Act of 2002**

	<u>Governor's Plan</u>	<u>General Assembly Action</u>
<b><u>Fiscal 2002</u></b>		
General Funds Removed from TTF for Woodrow Wilson Bridge and Addison Road Metrorail Extension to Largo Projects	(\$69,854,673 )	(\$69,854,673 )
Transfer to Vehicle Theft Prevention Program	0	(2,000,000)
<b><u>Fiscal 2003</u></b>		
MD Transportation Authority Transfer to General Fund	(18,000,000 )	0
Revenues Returned to General Fund:		
Registration Plates	0	(1,600,000)
Security Interest Filing Fees		(5,000,000)
Vehicle Rental Tax		(25,300,000)
Uninsured Motorist Penalties		(12,500,000)
Transfer to MAIF		(2,000,000)
Transfer to Vehicle Theft Prevention Program		(2,000,000)
Motor Vehicle Excise Tax Credit		2,000,000
Motor Fuel Tax Discount		1,400,000
No COLA*		6,800,000
Transfer of Balance in Right-of-Way Revolving Fund		8,000,000
<b>Total</b>	(\$87,854,673)	(\$100,054,673)

Notes

TTF = Transportation Trust Fund

MdTA = Maryland Transportation Authority

MAIF = Maryland Automobile Insurance Fund

VTPF = Vehicle Theft Prevention Fund

COLA = Cost-of-living adjustment

\* State agencies budgeted a 2% COLA to be provided January 2003. MDOT did not budget these funds and therefore did not participate in the reduction taken by SB 175.

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## State Reserve Fund

Activity in the State Reserve Fund for fiscal 2002 and 2003 is illustrated in **Exhibit A1.13**. The allowance assumes a number of deficiency appropriations and transfers from the reserve fund in fiscal 2002.

### Fiscal 2002

Transfers include:

- a \$533.2 million transfer from the Revenue Stabilization Fund (Rainy Day Fund) to the general fund to support operating and PAYGO spending;
- a \$69.9 million transfer of transportation funds from DPF to the general fund and to a number of programs and projects (please refer to BRFA within this part of *The 90 Day Report*);
- a total of \$7.8 million in scheduled transfers from DPF to DDA and to the Public Service Commission (PSC); and
- a \$8.0 million transfer from the Joseph Fund to the general fund to help address the structural deficit.

Deficiencies include:

- a \$30.0 million deficiency to the Rainy Day Fund as required due to Chapter 275, Acts of 2001 (tax amnesty);
- a \$22.1 million transfer from DPF for a deficiency appropriation to DHR; and
- a \$9.6 million negative deficiency from welfare funds in DPF.

### Fiscal 2003

#### *Rainy Day Fund*

The fiscal 2003 appropriation is \$181.0 million for the Rainy Day Fund. The appropriation is made through the “sweeper provision” and represents the unappropriated fiscal 2001 general fund balance in excess of \$10.0 million (Chapter 4, Acts of 1998). This provision was codified through BRFA, guaranteeing that unappropriated general fund balances in excess of \$10.0 million will be appropriated to the Rainy Day Fund in future years. Funds transferred to support operating and PAYGO spending totals \$249.0 million. Estimated interest brings the closing balance to \$500.5 million,

**Exhibit A1.13**  
**Reserve Fund Activity – Fiscal 2002 and 2003**  
**(\$ in Millions)**

	<b><u>Rainy Day Fund</u></b>	<b><u>Dedicated Purpose Fund</u></b>	<b><u>Catastrophic Event Fund</u></b>	<b><u>Joseph Fund</u></b>
<b>Balances on Hand 6/30/01</b>	<b>\$888.1</b>	<b>\$115.6</b>	<b>\$1.7</b>	<b>\$10.6</b> <sup>2</sup>
<b>Fiscal 2002 Appropriations:</b>				
Unappropriated Fiscal 2000 Balance	141.8 <sup>1</sup>			5.0
Wilson Bridge/Metro Expansion		45.0		
TANF Reallocation		9.6 <sup>3</sup>		
<b>Fiscal 2002 Deficiency Appropriations:</b>	<b>30.0</b>	<b>(9.6)</b>		
<b>Expenditures:</b>				
PSC: Public Education Utility Restruct.		(2.8)		
DDA Waiting List Initiative – DHMH		(5.0) <sup>4</sup>		
Welfare Programs		(22.1) <sup>3</sup>		
<b>Transfer to General Fund:</b>	<b>(533.2)</b> <sup>5</sup>	<b>(69.9)</b> <sup>6</sup>		<b>(8.0)</b> <sup>7</sup>
<b>Estimated Interest:</b>	<b>21.4</b>			<b>0.4</b>
<b>Balances on Hand 6/30/02</b>	<b>548.2</b>	<b>60.9</b>	<b>1.7</b>	<b>8.0</b>
<b>Fiscal 2003 Appropriations:</b>	<b>181.0</b> <sup>1</sup>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Welfare Programs		(10.0) <sup>3</sup>		
<b>Transfers to General Fund:</b>	<b>(249.0)</b> <sup>5</sup>	<b>(39.3)</b> <sup>6</sup>		
<b>Estimated Interest:</b>	<b>20.3</b>			<b>0.3</b>
<b>Estimated Balances 6/30/03</b>	<b>500.5</b>	<b>11.6</b>	<b>1.7</b>	<b>8.3</b>
<b>Percent of Estimated General Fund Revenue</b>	<b>5.08%</b> <sup>8</sup>			

<sup>1</sup> Per Chapter 4, Acts of 1998, in fiscal 2002 this represents the unappropriated fiscal 2000 general fund balance in excess of \$10.0 million; in fiscal 2003 it represents the excess balance from fiscal 2001.

<sup>2</sup> Chapter 517, Acts of 1999 created the Joseph Fund beginning in fiscal 2001. The Act provides that an appropriation may be included in the fiscal 2001 budget equivalent to the lesser of 40% of the fiscal 1999 unappropriated general fund surplus or \$10 million. In fiscal 2002 and thereafter, the transfer may total the lesser of \$5.0 million or 20 percent of the two years' prior unappropriated general fund surplus. Interest earnings are credited to the Joseph Fund and not to the Revenue Stabilization Fund (Rainy Day Fund).

**Exhibit A1.13**  
**Reserve Fund Activity – Fiscal 2002 and 2003**  
**(\$ in Millions)**

<sup>3</sup> These monies represent a negative deficiency and transfers to DHR. The fiscal 2002 negative deficiency of \$9.6 million represents an offset to the "excess" Temporary Assistance to Needy Families (TANF) monies originally set aside in the Dedicated Purpose Fund from DHR. The fiscal 2002 transfer of \$22.1 million to DHR as a deficiency also represents TANF and other monies previously set aside for future welfare costs. Fiscal 2003 funds going to DHR include the remaining balance of \$10.0 million originating in the Citizen's Tax Reduction and Fiscal Reserve Account appropriated to the Dedicated Purpose Fund in fiscal 1999.

<sup>4</sup> Special funds totaling \$15.0 million were deposited in fiscal 1999 to be appropriated in \$5 million increments in fiscal 2000, 2001, and 2002.

<sup>5</sup> Represents total funds transferred to support operating and PAYGO spending under the Governor's allowances.

<sup>6</sup> These monies represent anticipated transfers to the general fund and to specific programs and projects through BRFA. The fiscal 2002 transfer, the balance of fiscal 2001 appropriations (\$24.9 million) and fiscal 2002 appropriations (\$45.0 million), was originally intended for transportation projects. The fiscal 2003 \$39.3 million transfer to the general fund is TANF funds originally set aside for future welfare needs.

<sup>7</sup> These monies were transferred through BRFA (SB 323) to help cover the structural deficit in the general fund. Please note that BRFA also provides that in fiscal 2003, up to \$3.3 million is also authorized for expenditure through budget amendment or through the budget bill for the purpose of increasing the Temporary Cash Assistance allowance.

<sup>8</sup> Based on the legislative revenue assumptions. The Rainy Day Fund balance is approximately \$8.3 million over 5 percent (\$492.2 million) of estimated general fund revenue.

Source: Department of Budget and Management

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\$8.3 million over 5 percent of estimated general fund revenue, or 5.08 percent of estimated revenues.

### **Dedicated Purpose Fund**

In fiscal 2003, no appropriations are made to DPF and two transfers are made from the fund. The first transfers \$10.0 million to DHR, which represents the remaining balance of money originating in the Citizen's Tax Reduction and Fiscal Reserve Account transferred to DPF in fiscal 1999. The second transfer of \$39.3 million is to the general fund and represents funds originally set aside for future welfare needs.

### **Joseph Fund**

The Joseph Fund was established in fiscal 1999 to meet the emergency needs of economically disadvantaged citizens of the State, especially in times of economic downturn. In fiscal 2003, no appropriations are made, and interest is projected at approximately \$300,000. Further, BRFA provides that up to \$3.3 million is authorized for expenditure by budget amendment in fiscal 2003 for the purpose of increasing the Temporary Cash Assistance allowance; the remaining balance of approximately \$5

million is authorized for expenditure through an amendment for the same purpose in fiscal 2004.

## Personnel

Personnel expenditures, the cost of which is estimated at \$5.3 billion, constitute a major component of the fiscal 2003 budget. This figure represents an increase over fiscal 2002 working appropriations of approximately \$187.3 million, or 3.7 percent. The largest share of this increase is devoted to regular employee salaries which grow modestly in fiscal 2003, primarily through the annualization of the fiscal 2002 general salary increase (approximately \$75 million) and the cost associated with the payment of a lump-sum bonus (approximately \$44 million). Regular employee salaries grow by a total of \$121.0 million, or 3.1 percent over fiscal 2002. All components of the employee compensation increase are shown in **Exhibit A1.14**.

In addition to the personnel actions related to increases in employees' salaries, changes to the way the State calculates pension contributions resulted in a \$48.9 million decrease in pension contributions from those assumed in the Governor's allowance in fiscal 2003 (please refer to Part K4 for more detail). A reduction in the State's match of the deferred compensation benefit from \$600 to \$500 resulted in a savings of \$3.6 million. Deletion of funds for the pay-for-performance bonus benefit further reduced available funds by \$8.8 million. These decreases are partially offset by inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent or \$53.7 million.

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### Exhibit A1.14 Increases in Regular and Contractual Employee Salaries Fiscal 2002 to 2003

<u>Salary Element</u>	<u>\$ in Millions</u>	<u>% Change</u>
<b>Regular Employee Expenditures</b>	<b>\$162.0</b>	<b>3.4%</b>
Salaries	121.0	3.1%
Health Insurance	53.7	10.1%
Retirement	(26.4)	-10.3%
Social Insurance	28.8	8.6%
Discretionary (e.g., transit benefit, tuition waivers)	(11.9)	-21.7%
Turnover and cost containment	(331.5)	-4.5%
Other	.9	9.3%
<b>Contractual Employee Expenditures</b>	<b>\$25.3</b>	<b>7.1%</b>
<b>Total Salary Expenditures</b>	<b>\$187.3</b>	<b>3.7%</b>

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### **Position Cap**

Under the requirements of Section 37 of the budget bill, a 75,600 full-time equivalent (FTE) regular position cap is applied to the Executive Branch. This position cap requires substantial position reductions, which carries with it a minimum required budgetary reduction of at least \$11.0 million in general funds. The General Assembly's deletion of positions in the operating budget result in salary savings of \$29.7 million in total fund reductions, with the largest share in general fund savings. Individual agency budgets reflect reductions of 614.8 FTEs from those assumed in the Governor's budget (including reductions of 102.0 FTEs from the Judiciary), as shown in **Exhibit A1.15**. An additional 3,401 FTE position abolitions will be required to reach the cap.

Under the cap, agencies comprised of more than 10 positions are required to submit to the Governor a plan for abolishing not fewer than 3 percent of the total and plans for abolishing not more than 8 percent of the total. An approximation of the number of abolitions for which agencies will be providing plans is also included in Exhibit A1.15. Please note that some of these agencies may include more than one administratively independent agency which would be providing a separate plan; these reductions are provided as a major agency-level approximation only. After receiving the abolition plans, the Governor is required to then make the final determination of the proper distribution of reductions based on consideration of the abundance of vacant positions in the State, opportunities for improved efficiency through the elimination of unnecessary layers of administration, and the need to protect vulnerable populations and promote public safety.

### **By the Numbers**

A number of exhibits summarize the legislative budget action. These exhibits are described below:

**Exhibit A1.16** shows the impact of the legislative budget on the general fund balance for fiscal 2002 and 2003. The fiscal 2002 balance, including transfers from the Revenue Stabilization Fund and actions through BRFA, yields a projected ending balance of \$420.3 million. At the end of fiscal 2003 the ending balance is estimated to be \$13.6 million, although this is again based on the Governor's assumption of \$46 million in agency reversions.

**Exhibit A1.17**, the fiscal note on the budget bill, depicts the Governor's allowance, actions through BRFA, legislative reductions, and final appropriations for fiscal 2002 and 2003 by fund source. The Governor's original request provided for \$22.5 billion (not counting the \$128.1 million in contingent general fund reductions) in fiscal 2003 expenditures and fiscal 2002 deficiencies. The legislature made \$479.5 million in reductions and contingent reductions to the total budget request, resulting in appropriations of \$37.1 million for fiscal 2002 (net of withdrawn appropriations) and \$21.8 billion (less reversions) for fiscal 2003.

**Exhibit A1.15**  
**Regular Full-time Equivalent Employees**  
**Fiscal 2002 to 2003**

	<b>Fiscal 2002 Working</b>	<b>Fiscal 2003 Allowance</b>	<b>Legislative Reductions</b>	<b>Reductions of 3 Percent</b>	<b>Reductions of 8 Percent</b>
Legislative	730.0	730.0	0.0	n/a	n/a
Judiciary & Legal*	4,377.7	4,693.7	107.0	41.2	109.8
Executive & Adm. Control	1,603.5	1,654.4	16.5	49.6	132.4
Financial & Revenue Adm.	2,158.2	2,162.7	6.0	64.9	173.0
Budget & Management	517.3	549.3	2.0	16.5	43.9
Retirement	193.5	193.5	3.0	5.8	15.5
General Services	793.0	848.5	11.0	25.5	67.9
Transportation	9,538.0	9,653.0	12.0	289.6	772.2
Natural Resources	1,631.2	1,643.2	20.0	49.3	131.5
Agriculture	480.0	473.5	0.0	14.2	37.9
Health & Mental Hygiene	8,535.8	8,572.8	28.3	257.2	685.8
Human Resources	8,279.6	8,426.6	56.0	252.8	674.1
Labor, Licensing, & Regulation	1,706.0	1,716.0	30.0	51.5	137.3
Public Safety & Correctional Services	11,662.5	11,924.5	196.0	357.7	954.0
Higher Education	21,373.2	21,696.5	0.0	650.9	1,735.7
Other Education	1,955.0	1,985.5	0.0	59.6	158.8
Housing & Community Development	449.0	453.0	7.0	13.6	36.2
Business & Economic Development	324.0	325.0	1.0	9.8	26.0
Environment	1,028.0	1,114.0	71.0	33.4	89.1
Juvenile Justice	2,122.7	2,128.2	33.0	63.8	170.3
Police & Fire Marshal	2,589.5	2,621.5	15.0	78.6	209.7
<b>Total</b>	<b>82,047.5</b>	<b>83,565.3</b>	<b>614.8</b>	<b>n/a**</b>	<b>n/a**</b>

\*The Judicial & Legal reductions include 102.0 FTE reductions to the Judiciary. The 3 percent and 8 percent reductions are calculated based on the FTEs assumed in the non-Judiciary portion of these positions - a total of 1,371.9 FTEs.

\*\* Please note that the cap requires that 75,600 FTE regular positions are not to be exceeded in the Executive Branch - total reductions must be 3,914 in the Executive Branch, plus the 102 FTEs in the Judiciary.

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**Exhibit A1.16**  
**General Fund Impact – 2002 Session Actions**

	<b><u>Fiscal</u> <u>2002</u></b>	<b><u>Fiscal</u> <u>2003</u></b>
<b>Starting General Fund Balance</b>	<b>\$583,352,823</b>	<b>\$420,267,855</b>
<b><u>Revenues</u></b>		
BRE Estimated Revenues - December 2001	9,752,017,496	9,787,339,642
BRE Revenue Revisions - March 2002	(124,400,000)	(124,700,000)
BRFA Revenues	0	161,025,114
BRFA Transfers	146,235,967	85,200,000
BRFA Withdrawn Appropriations	468,807,761	0
Additional Revenues	<u>1,100,000</u>	<u>33,528,593</u>
<b>Subtotal</b>	<b>\$10,243,761,224</b>	<b>\$9,942,393,349</b>
Net GF Transfer from the Rainy Day Fund	361,409,278	67,971,223
<b>Revenue Total</b>	<b>\$11,143,523,325</b>	<b>\$10,430,632,427</b>
<b><u>Appropriations</u></b>		
GF Appropriations net of Rainy Day Fund	10,757,568,930	10,818,206,937
Legislative reductions & contingent reduc.	(873,514)	(355,181,944)
Estimated agency reversions	<u>(33,439,946)</u>	<u>(46,000,000)</u>
<b>Appropriations Total</b>	<b>\$10,723,255,470</b>	<b>\$10,417,024,993</b>
<b>Closing Balance</b>	<b>\$420,267,855</b>	<b>\$13,607,434</b>

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**Exhibit A1.17 – Fiscal Note**  
**Summary of the Budget Bill – Senate Bill 175**

	<u>General Funds</u>		<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
<b>Governor's Request:</b>						
FY 2002 Deficiency Budget	\$172,524,015		\$30,257,756	\$169,287,065	\$0	\$372,068,836
FY 2003 Budget	<u>10,953,235,714</u>	(1)	<u>3,870,374,463</u>	<u>5,208,435,106</u>	<u>2,082,614,622</u>	<u>22,114,659,904</u>
Original Budget Request	\$11,125,759,729		\$3,900,632,219	\$5,377,722,171	\$2,082,614,622	\$22,486,728,741
<b>Budget Reconciliation and Financing Act of 2002:</b>						
FY 2002 Withdrawn Appropriations	(\$334,061,761)	(2)	(\$1,000,000)	\$0	\$0	(\$335,061,763)
FY 2002 Appropriations	-		953,000	-	-	953,000
FY 2003 Appropriations	-		39,118,353	-	-	39,118,353
FY 2003 Contingent Reductions	<u>(54,162,431)</u>		<u>(64,102,519)</u>	<u>(5,606,177)</u>	<u>0</u>	<u>(123,871,127)</u>
Total BRA Actions	(\$388,224,192)		(\$25,031,166)	(\$5,606,177)	\$0	(\$418,861,535)
FY 2003 Legislation	\$0		\$80,523,604	\$0	\$0	80,523,604
<b>Reductions by the Conference Committee</b>						
FY 2002 Deficiency Budget	(873,514)		\$0	\$0	\$0	(\$873,514)
FY 2003 Budget	<u>(301,019,513)</u>		<u>(36,868,485)</u>	<u>(16,792,516)</u>	<u>(44,584)</u>	<u>(354,725,098)</u>
Total Reductions	(\$301,893,027)		(\$36,868,485)	(\$16,792,516)	(\$44,584)	(\$355,598,612)
<b>Appropriations:</b>						
FY 2002 Deficiency Budget	(\$162,411,260)		\$30,210,756	\$169,287,065	\$0	\$37,086,561
FY 2003 Budget	<u>10,598,053,770</u>		<u>3,889,045,416</u>	<u>5,186,036,413</u>	<u>2,082,570,038</u>	<u>21,755,705,637</u>
Total Appropriation	\$10,435,642,510		\$3,919,256,172	\$5,355,323,478	\$2,082,570,038	\$21,792,792,198

(1) Includes general fund reversions of \$46 million

(2) The Budget Reconciliation and Financing Act of 2002 withdraws a total of \$468.8 million in appropriations from fiscal 1999 through 2002. The amount shown reflects fiscal 2002 withdrawals only.

**Exhibit A1.18** illustrates budget changes by major expenditure category by fund. Total spending grows 2.6 percent. Debt service increases 2.4 percent; aid to local governments increases by 7.4 percent; State agency spending rises 2.7 percent; and entitlements rise 4.6 percent. PAYGO capital expenditures decrease 11.7 percent, exclusive of an added \$22.2 million in special fund PAYGO that is authorized contingent on enactment of *Senate Bill 856*. The reduction in PAYGO results largely from the lower availability of surplus funds for such one-time spending. The allocation to the State Reserve Fund increases 2.4 percent, based on the lower amount of unappropriated general funds at closeout which was statutorily required to be appropriated. However these funds were also transferred to the general fund to support the budget.

**Exhibit A1.18**  
**State Expenditures – General Funds**  
**(\$ in Millions)**

<b>Category</b>	<b>Actual FY 01</b>	<b>Work. App. FY 02</b>	<b>Leg. Appr. FY 03</b>	<b>\$ Diff. FY 02 to 03</b>	<b>% Diff. FY 02 to 03</b>
Debt Service	\$204.5	\$204.0	\$183.9	-\$20.1	-9.9%
<b>Aid to Local Governments</b>					
General Government	174.5	200.9	228.9	28.0	13.9%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries	2,718.1	2,847.3	3,036.3	189.0	6.6%
Health	52.5	56.9	61.9	5.0	8.8%
	3,108.4	3,283.7	3,516.1	232.4	7.1%
<b>Entitlements</b>					
Foster Care Payments	126.9	137.8	132.9	-4.9	-3.6%
Assistance Payments	34.5	55.5	62.7	7.2	13.0%
Medical Assistance	1,320.3	1,547.0	1,600.7	53.7	3.5%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	1,534.3	1,795.9	1,851.7	55.9	3.1%
<b>State Agencies</b>					
Health	1,006.6	1,090.0	1,183.6	93.7	8.6%
Human Resources	303.8	289.4	298.7	9.2	3.2%
Systems Reform Initiative	46.9	43.1	40.1	-3.1	-7.1%
Juvenile Justice	150.3	162.2	173.6	11.5	7.1%
Public Safety/Police	863.9	920.8	961.2	40.5	4.4%
Higher Education	886.5	961.3	970.4	9.1	0.9%
Other Education	248.6	275.5	284.6	9.1	3.3%
Agric./Natl Res./Environment	125.5	147.3	155.6	8.3	5.6%
Other Executive Agencies	520.6	553.2	542.3	-11.0	-2.0%
Judicial/Legislative	281.4	316.5	329.7	13.3	4.2%
Across-the-Board Cuts	0.0	0.0	-78.1	-78.1	n.a.
	4,434.2	4,759.3	4,861.8	102.5	2.2%
<b>Subtotal</b>	<b>\$9,281.4</b>	<b>\$10,042.8</b>	<b>\$10,413.4</b>	<b>\$370.6</b>	<b>3.7%</b>
Capital	638.4	366.4	49.6	-316.8	-86.5%
Transfers	2.0	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
<b>Appropriations</b>	<b>\$10,237.5</b>	<b>\$10,586.0</b>	<b>\$10,644.1</b>	<b>\$58.1</b>	<b>0.5%</b>
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
<b>Grand Total</b>	<b>\$10,237.5</b>	<b>\$10,561.0</b>	<b>\$10,598.1</b>	<b>\$37.1</b>	<b>0.4%</b>

Note: The FY 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies (\$0.9 million) and \$342.5 million in withdrawn appropriations.

**Exhibit A1.18 (Continued)**  
**State Expenditures – Special and Higher Education Funds**  
(\$ in Millions)

<b>Category</b>	<b>Actual FY 01</b>	<b>Work. App. FY 02</b>	<b>Leg. Appr. FY 03</b>	<b>\$ Diff. FY 02 to 03</b>	<b>% Diff. FY 02 to 03</b>
Debt Service	\$376.3	\$410.5	\$445.5	\$35.0	8.5%
<b>Aid to Local Governments</b>					
General Government	495.9	487.3	476.4	-10.9	-2.2%
Education/Libraries <sup>(1)</sup>	66.7	83.3	124.3	41.0	49.3%
	562.6	570.6	600.7	30.1	5.3%
<b>Entitlements</b>					
Foster Care Payments	0.2	2.0	0.2	-1.8	-88.3%
Assistance Payments	16.8	21.1	17.4	-3.7	-17.5%
Medical Assistance	39.0	15.2	47.4	32.3	212.3%
	56.0	38.4	65.1	26.8	69.8%
<b>State Agencies</b>					
Health	165.6	174.0	161.6	-12.5	-7.2%
Human Resources	47.5	63.5	57.0	-6.5	-10.2%
Systems Reform Initiative	0.0	0.0	1.8	1.7	3554.2%
Juvenile Justice	0.3	0.1	0.3	0.1	81.6%
Public Safety/Police	140.9	140.8	143.5	2.7	1.9%
Higher Education	1,864.7	1,989.5	2,088.8	99.3	5.0%
Other Education	39.9	44.6	36.7	-7.8	-17.6%
Transportation	942.6	983.0	1,006.4	23.4	2.4%
Agric./Natl Res./Environment	108.8	108.4	109.8	1.4	1.3%
Other Executive Agencies	256.7	229.5	230.2	0.6	0.3%
Judicial/Legislative	11.9	15.3	12.9	-2.4	-15.7%
Across-the-Board Cuts	0.0	0.0	-11.1	-11.1	n.a.
Operating Spending in BRFA <sup>(2)</sup>	0.0	1.0	16.9	16.0	1677.5%
	3,578.7	3,749.8	3,854.8	105.0	2.8%
<b>Subtotal</b>	<b>\$4,573.7</b>	<b>\$4,769.2</b>	<b>\$4,966.2</b>	<b>\$196.9</b>	<b>4.1%</b>
Capital	889.5	969.3	983.3	14.0	1.4%
Capital Spending in BRFA <sup>(2)</sup>	0.0	0.0	22.2	22.2	n.a.
Transfer to MDTA	19.9	0.0	0.0	0.0	n.a.
<b>Grand Total</b>	<b>\$5,483.1</b>	<b>\$5,738.5</b>	<b>\$5,971.6</b>	<b>\$233.1</b>	<b>4.1%</b>

Note: The fiscal 2002 working appropriation reflects deficiency appropriations and \$1 million in withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax ([Senate Bill 856](#)). This spending is not technically part of the legislative appropriation. It was authorized by Senate Bill 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act ([Senate Bill 323](#)) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on the passage of a tobacco tax increase (Senate Bill 856). This additional spending is not technically part of the legislative appropriation. It was authorized by BRFA but will be appropriated via the budget amendment process.

**Exhibit A1.18 (Continued)**  
**State Expenditures – Federal Funds**  
(\$ in Millions)

<b><u>Category</u></b>	<b><u>Actual FY 01</u></b>	<b><u>Work. App. FY 02</u></b>	<b><u>Leg. Appr. FY 2003</u></b>	<b><u>\$ Diff. 02 to 03</u></b>	<b><u>% Diff. 02 to 03</u></b>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
<b>Aid to Local Governments</b>					
General Government	21.4	32.9	23.4	-9.5	-29.0%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	475.6	511.0	584.3	73.3	14.3%
Health	4.5	4.5	4.5	0.0	0.0%
	501.5	548.4	612.1	63.7	11.6%
<b>Entitlements</b>					
Foster Care Payments	90.9	94.0	101.2	7.2	7.6%
Assistance Payments	290.8	283.2	284.5	1.3	0.5%
Medical Assistance	1,326.7	1,518.6	1,600.0	81.3	5.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	1,708.4	1,895.9	1,985.6	89.8	4.7%
<b>State Agencies</b>					
Health	477.9	481.8	521.2	39.4	8.2%
Human Resources	570.1	570.2	598.5	28.3	5.0%
Systems Reform Initiative	38.2	29.0	29.3	0.3	0.9%
Juvenile Justice	14.3	16.8	15.2	-1.6	-9.3%
Public Safety/Police	10.9	9.8	7.3	-2.5	-25.2%
Higher Education	0.0	0.0	0.0	0.0	n.a.
Other Education	88.3	98.0	95.0	-3.0	-3.0%
Transportation	29.4	45.5	61.4	15.9	34.9%
Agric./Nat'l Res./Environment	45.7	53.2	51.0	-2.2	-4.2%
Other Executive Agencies	286.0	392.8	394.8	1.9	0.5%
Judicial/Legislative	1.8	2.0	1.9	-0.1	-5.2%
Across-the-Board Cuts	0.0	0.0	-7.5	-7.5	n.a.
	1,562.6	1,699.1	1,768.1	69.0	4.1%
<b>Subtotal</b>	<b>\$3,772.5</b>	<b>\$4,143.4</b>	<b>\$4,365.9</b>	<b>\$222.5</b>	<b>5.4%</b>
Capital	571.7	762.0	820.2	58.1	7.6%
<b>Grand Total</b>	<b>\$4,344.2</b>	<b>\$4,905.4</b>	<b>\$5,186.0</b>	<b>\$280.6</b>	<b>5.7%</b>

Note: The fiscal 2002 working appropriation reflects deficiency appropriations.



**Exhibit A1.18 (Continued)**  
**State Expenditures – State Funds**  
(\$ in Millions)

<b>Category</b>	<b>Actual FY 2001</b>	<b>Work. App. FY 2002</b>	<b>Leg. Appr. FY 2003</b>	<b>\$ Diff. 02 to 03</b>	<b>% Diff. 02 to 03</b>
Debt Service	\$580.7	\$614.5	\$629.4	\$14.9	2.4%
<b>Aid to Local Governments</b>					
General Government	670.4	688.2	705.3	17.1	2.5%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries <sup>(1)</sup>	2,784.8	2,930.6	3,160.6	230.0	7.8%
Health	52.5	56.9	61.9	5.0	8.8%
	<u>3,671.1</u>	<u>3,854.3</u>	<u>4,116.8</u>	<u>262.5</u>	<u>6.8%</u>
<b>Entitlements</b>					
Foster Care Payments	127.1	139.8	133.1	-6.7	-4.8%
Assistance Payments	51.3	76.6	80.1	3.5	4.6%
Medical Assistance	1,359.3	1,562.1	1,648.1	86.0	5.5%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	<u>1,590.4</u>	<u>1,834.3</u>	<u>1,916.9</u>	<u>82.6</u>	<u>4.5%</u>
<b>State Agencies</b>					
Health	1,172.2	1,264.0	1,345.2	81.2	6.4%
Human Resources	351.3	352.9	355.7	2.7	0.8%
Systems Reform Initiative	46.9	43.2	41.8	-1.3	-3.1%
Juvenile Justice	150.6	162.3	173.9	11.6	7.1%
Public Safety/Police	1,004.8	1,061.6	1,104.7	43.1	4.1%
Higher Education	2,751.2	2,950.8	3,059.2	108.5	3.7%
Other Education	288.5	320.1	321.4	1.3	0.4%
Transportation	942.6	983.0	1,006.4	23.4	2.4%
Agric./Nat'l Res./Environment	234.2	255.7	265.4	9.7	3.8%
Other Executive Agencies	777.3	782.8	772.4	-10.3	-1.3%
Judicial/Legislative	293.2	331.8	342.7	10.9	3.3%
Across-the-Board Cuts	0.0	0.0	-89.1	-89.1	n.a.
Operating Spending in BRFA <sup>(2)</sup>	0.0	1.0	16.9	16.0	1677.5%
	<u>8,012.9</u>	<u>8,509.0</u>	<u>8,716.5</u>	<u>207.5</u>	<u>2.4%</u>
<b>Subtotal</b>	<b>\$13,855.1</b>	<b>\$14,812.0</b>	<b>\$15,379.6</b>	<b>\$567.6</b>	<b>3.8%</b>
Capital	1,527.9	1,335.7	1,032.9	-302.8	-22.7%
Capital Spending in BRFA <sup>(2)</sup>	0.0	0.0	22.2	22.2	n.a.
Transfers	21.9	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
<b>Appropriations</b>	<b>\$15,720.6</b>	<b>\$16,324.5</b>	<b>\$16,615.7</b>	<b>\$291.2</b>	<b>1.8%</b>
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
<b>Grand Total</b>	<b>\$15,720.6</b>	<b>\$16,299.5</b>	<b>\$16,569.7</b>	<b>\$270.2</b>	<b>1.7%</b>

Note: The fiscal 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax ([Senate Bill 856](#)). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act ([Senate Bill 323](#)) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by the BRFA but will be appropriated via the budget amendment process.

**Exhibit A1.18 (Continued)**  
**State Expenditures – All Funds**  
(\$ in Millions)

<b>Category</b>	<b>Actual FY 2001</b>	<b>Work. App. FY 2002</b>	<b>Leg. Appr. FY 2003</b>	<b>\$ Diff. 02 to 03</b>	<b>% Diff. 02 to 03</b>
Debt Service	\$580.7	\$614.5	\$629.4	\$14.9	2.4%
<b>Aid to Local Governments</b>					
General Government	691.8	721.1	728.6	7.5	1.0%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries <sup>(1)</sup>	3,260.4	3,441.6	3,744.9	303.3	8.8%
Health	57.0	61.4	66.4	5.0	8.1%
	4,172.6	4,402.6	4,728.9	326.2	7.4%
<b>Entitlements</b>					
Foster Care Payments	218.0	233.8	234.3	0.5	0.2%
Assistance Payments	342.1	359.8	364.6	4.8	1.3%
Medical Assistance	2,686.0	3,080.8	3,248.1	167.3	5.4%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	3,298.8	3,730.1	3,902.5	172.4	4.6%
<b>State Agencies</b>					
Health	1,650.1	1,745.8	1,866.4	120.6	6.9%
Human Resources	921.4	923.1	954.2	31.1	3.4%
Systems Reform Initiative	85.1	72.2	71.2	-1.1	-1.5%
Juvenile Justice	164.9	179.1	189.1	10.0	5.6%
Public Safety/Police	1,015.7	1,071.3	1,112.0	40.7	3.8%
Higher Education	2,751.2	2,950.8	3,059.2	108.5	3.7%
Other Education	376.8	418.1	416.4	-1.7	-0.4%
Transportation	972.0	1,028.5	1,067.8	39.3	3.8%
Agric./Nat'l Res./Environment	279.9	308.9	316.4	7.5	2.4%
Other Executive Agencies	1,063.3	1,175.6	1,167.2	-8.4	-0.7%
Judicial/Legislative	295.0	333.8	344.5	10.8	3.2%
Across-the-Board Cuts	0.0	0.0	-96.6	-96.6	n.a.
Operating Spending in BRFA <sup>(2)</sup>	0.0	1.0	16.9	16.0	1677.5%
	9,575.4	10,208.2	10,484.7	276.5	2.7%
<b>Subtotal</b>	<b>\$17,627.5</b>	<b>\$18,955.4</b>	<b>\$19,745.5</b>	<b>\$790.1</b>	<b>4.2%</b>
Capital	2,099.6	2,097.7	1,853.0	-244.7	-11.7%
Capital Spending in BRFA <sup>(2)</sup>	0.0	0.0	22.2	22.2	n.a.
Transfers	21.9	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
<b>Appropriations</b>	<b>\$20,064.8</b>	<b>\$21,229.9</b>	<b>\$21,801.7</b>	<b>\$571.8</b>	<b>2.7%</b>
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
<b>Grand Total</b>	<b>\$20,064.8</b>	<b>\$21,204.9</b>	<b>\$21,755.7</b>	<b>\$550.8</b>	<b>2.6%</b>

Note: The fiscal 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax ([Senate Bill 856](#)). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act ([Senate Bill 323](#)) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on the passage of a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by BRFA but will be appropriated by budget amendment.

## Capital Budget

### Summary

The 2002 General Assembly passed a capital budget totaling \$2.65 billion including a \$1.6 billion transportation program. Of the total amount, \$720 million is funded with general obligation bonds; \$1.5 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$400 million is funded with revenue bonds, including higher education academic bonds (\$40 million) and transportation bonds (\$360 million). **Exhibit A2.1** presents an overview of the State's capital program for fiscal 2003. **Exhibit A2.2** shows the sources and uses of the funds for the nontransportation capital program.

General obligation debt totaling \$731.1 million is authorized in the Maryland Consolidated Capital Bond Loan of 2002, *Senate Bill 288 (passed)*. This is offset by deauthorization of \$11.1 million in previously authorized debt resulting in a net increase of \$720 million. The general obligation bond amount includes \$328.7 million to replace previously authorized general fund PAYGO. General obligation funding for new projects equals \$402.4 million.

The Maryland Consolidated Capital Bond Loan includes funding for:

- State facilities including colleges and universities, hospitals, office buildings, and correctional facilities;
- grants to local governments for school construction and facilities at community colleges;
- health and social services facilities such as senior citizen and adult day care centers, juvenile services facilities, and community mental health, disabilities and addictions facilities;
- environmental programs such as the Chesapeake Bay Water Quality, GreenPrint and Rural Legacy programs;
- housing and community development such as the Partnership Rental Housing and Community Legacy programs; and
- local projects.

In addition to being used to fund the same types of projects funded with general obligation debt, PAYGO funds are used for economic development, housing, and environmental programs for which tax-exempt debt cannot be issued under federal tax guidelines. **Exhibit A2.3** lists capital projects by fund source.

*House Bill 828 (passed)* authorizes \$40 million in debt for academic facilities at the University System of Maryland and Morgan State University.

## Exhibit A2.1

**Summary of the Capital Program as Passed for the 2002 Session**  
**(\$ in Millions)**

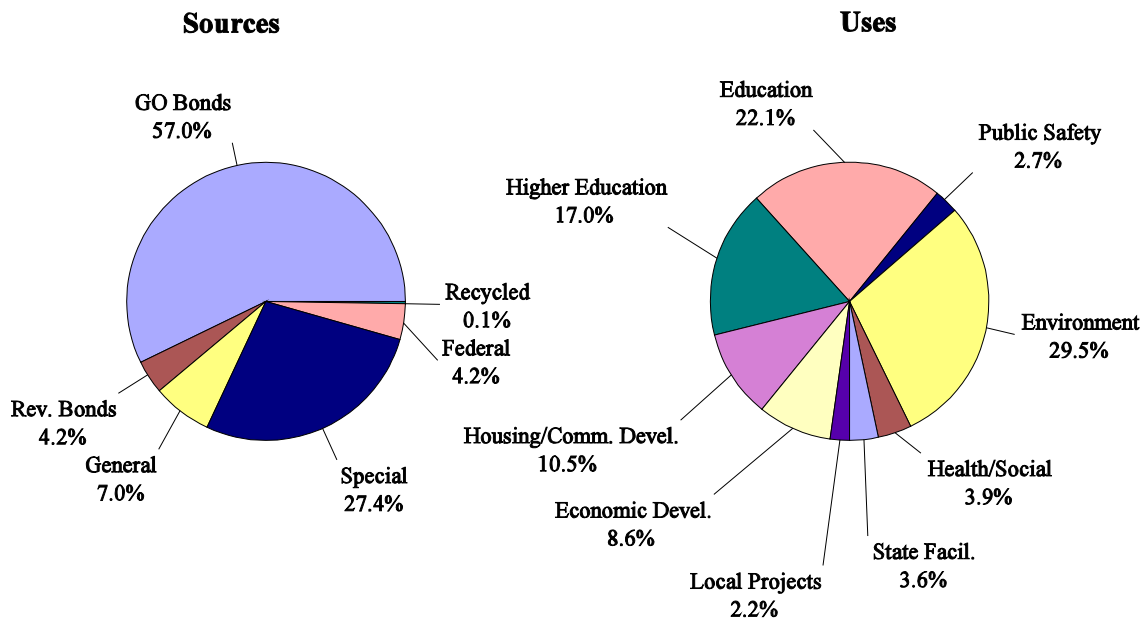
<b>Function</b>	<b>Bonds</b>			<b>Current Funds (PAYGO)</b>			<b>Total</b>
	<b>General Obligation</b>	<b>Agency</b>	<b>Recycled</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
<b>State Facilities</b>							<b>\$44.9</b>
Facilities Renewal	\$10.1	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	
Other	29.6	0.0	0.9	0.0	1.4	2.5	
<b>Health/Social</b>							<b>\$27.4</b>
State Facilities	7.2	0.0	0.0	0.0	1.4	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	0.0	
Other	13.8	0.0	0.0	0.0	0.0	0.0	
<b>Environment</b>							<b>\$208.1</b>
Natural Resources	36.5	0.0	0.0	1.6	49.5	2.0	
Agriculture	5.6	0.0	0.0	0.0	23.3	0.0	
Environment	25.7	0.0	0.0	9.0	50.6	0.0	
MD Envir. Services	3.4	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	1.0	0.0	
<b>Public Safety</b>							<b>\$28.0</b>
State Corrections	8.9	0.0	0.0	0.0	0.0	0.0	
Local Jails	5.2	0.0	0.0	0.0	0.0	0.0	
State Police	0.3	0.0	0.0	0.0	0.0	0.0	
Other	10.1	0.0	0.0	0.0	3.4	0.0	
<b>Education</b>							<b>\$244.8</b>
School Construction	224.1	0.0	0.0	3.0	2.4	10.5	
Other	4.8	0.0	0.0	0.0	0.0	0.0	
<b>Higher Education</b>							<b>\$335.4</b>
University System	176.2	35.9	0.0	0.0	15.3	0.0	
Morgan State University	24.2	4.1	0.0	0.0	0.0	0.0	
St. Mary's College	5.2	0.0	0.0	0.0	0.0	0.0	
Community Colleges	34.1	0.0	0.0	0.0	0.0	0.0	
Private Colleges/Univers.	31.9	0.0	0.0	0.0	0.0	0.0	
Other	8.6	0.0	0.0	0.0	0.0	0.0	
<b>Housing/Community Development</b>							<b>\$74.1</b>
Housing	14.8	0.0	0.0	14.6	17.8	14.8	
Other	12.0	0.0	0.0	0.0	0.3	0.0	
<b>Economic Development</b>							<b>\$61.0</b>
Economic Development	0.0	0.0	0.0	21.0	40.0	0.0	
<b>Local Projects</b>							<b>\$36.4</b>
Administration	33.9	0.0	0.0	0.5	2.0	0.0	
Legislative	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Transportation*</b>							<b>\$1,605.4</b>
Transportation - Other	0.0	360.0	0.0	0.0	455.1	790.3	
<b>Deauthorizations</b>							<b>\$-11.1</b>
Deauthorization	-11.1	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>\$720.0</b>	<b>\$400.0</b>	<b>\$0.9</b>	<b>\$49.6</b>	<b>\$663.7</b>	<b>\$820.2</b>	<b>\$2,654.3</b>
PAYGO Replacement	-328.7	-10.1			-15.3		-354.1
<b>Total New Funding</b>	<b>\$391.3</b>	<b>\$389.9</b>			<b>\$648.4</b>		<b>\$2,300.2</b>

\*Transportation capital funded off budget totals \$244 million

Note: Numbers may not sum to total due to rounding

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**Exhibit A2.2**  
**Nontransportation Capital\***  
**\$706 Million**



\* Does not include \$354.1 million replacing PAYGO that was withdrawn.

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Exhibit A2.3

Capital Program As Passed - 2002 Session

		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
State Facilities								
DA02.01A	OID: Accessibility Modifications	\$1,600,000	\$0	\$0	\$0	\$0	\$0	\$1,600,000
DE02.0190A	Annapolis Govt. Complex Security	0	0	0	0	1,400,000	0	1,400,000
DE02.01A	Legislative Facilities	19,750,000	868,000	0	0	0	0	20,618,000
DE02.01B	200 West Baltimore St. Fire Protection Syste	2,500,000	0	0	0	0	0	2,500,000
DE02.01C	301 W. Preston St. Perimeter Piping Replace	185,000	0	0	0	0	0	185,000
DE02.01D	DGS: Capital Facilities Renewal	5,932,000	0	0	0	300,000	0	6,232,000
DE02.01F	DGS: Asbestos Abatement Program	1,500,000	0	0	0	0	0	1,500,000
DE02.01H	Public Safety Communications Systems	3,000,000	0	0	0	0	0	3,000,000
DE02.01I	Judiciary: Mont. Co. Dist. Ct. - Rockville	4,600,000	0	0	0	0	0	4,600,000
DH01.04A	Military: Salisbury Organiz. Maintenance Sh	489,000	0	0	0	0	2,547,000	3,036,000
ZD00A.01	MSA: Mem. Stadium Dem.-Veterans Mem.	200,000	0	0	0	0	0	200,000
Subtotal		\$39,756,000	\$868,000	\$0	\$0	\$1,700,000	\$2,547,000	\$44,871,000
Health/Social								
DA07A	Aging: Senior Citizen Activities Center	2,117,000	0	0	0	0	0	2,117,000
MA01A	DHMH: Comm. Mental Health Facil.	8,912,000	0	0	0	0	0	8,912,000
MA01B	DHMH: Adult Day Care	1,856,000	0	0	0	0	0	1,856,000
ML08A	DHMH: Springfield Electrical Dist. Sys.	6,720,000	0	0	0	0	0	6,720,000
PG01.09	DLLR: Eastern Shore Regional Claims Cent	0	0	0	0	1,400,000	0	1,400,000
VA01A	DJJ: Facilities Grant Program	930,000	0	0	0	0	0	930,000
VA01B	DJJ: Cheltenham Youth Facility Demolition	165,000	0	0	0	0	0	165,000
VA01C	DJJ: Eastern Shore Detention Center	260,000	0	0	0	0	0	260,000
ZC01A	MHA: Atlantic General Hospital	750,000	0	0	0	0	0	750,000
ZC01B	MHA: Sinai Hospital of Baltimore	500,000	0	0	0	0	0	500,000
ZC01C	MHA: Franklin Square Hospital Ctr.	500,000	0	0	0	0	0	500,000
ZC01D	MHA: Dorchester General Hospital	500,000	0	0	0	0	0	500,000
ZC01E	MHA: Sacred Heart Hospital	545,000	0	0	0	0	0	545,000
ZC01F	MHA: Bon Secours Baltimore Health Sys.	970,000	0	0	0	0	0	970,000
ZC01G	MHA: Union Hospital	445,000	0	0	0	0	0	445,000

**Exhibit A2.3 (Cont.)**

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		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Health/Social								
ZC01H	MHA: Mont.Coll. Primary Care Health Clin	345,000	0	0	0	0	0	345,000
ZC01I	MHA: Peninsula Regional Medical Center	445,000	0	0	0	0	0	445,000
ZD00A.13	Springfield Hospital - Electrical Dist. Sys.	70,000	0	0	0	0	0	70,000
Subtotal		\$26,030,000	\$0	\$0	\$0	\$1,400,000	\$0	\$27,430,000
Environment								
DA13.03	MEA: State Agency Loan Prg. (SALP)	0	0	0	0	1,000,000	0	1,000,000
KA05.10.1	DNR: POS Land Acq. & Local Prgm.	0	0	0	0	27,037,203	2,000,000	29,037,203
KA05.10.2	DNR: POS Capital Devel. Projects	0	0	0	0	3,858,659	0	3,858,659
KA05.11	DNR: Waterway Improvement Programs	0	0	0	0	11,200,000	0	11,200,000
KA05A	DNR: Rural Legacy Program	15,000,000	0	0	0	6,363,429	0	21,363,429
KA05B	DNR: GreenPrint Program	16,000,000	0	0	0	0	0	16,000,000
KA05C	DNR: Community Parks & Playgrounds	5,500,000	0	0	0	0	0	5,500,000
KA09.06	DNR: O.C. Beach Maint. - Local Share	0	0	0	0	1,000,000	0	1,000,000
KA17.09	DNR: Oyster Restoration Program	0	0	0	1,575,000	0	0	1,575,000
LA11.11	MDA: Ag Land Preservation	0	0	0	0	17,034,374	0	17,034,374
LA12.13	MDA: Tobacco Conversion Prgm.	0	0	0	0	6,291,000	0	6,291,000
LA15A	MDA: Ag Cost Share	5,600,000	0	0	0	0	0	5,600,000
UA01.03	MDE: Water Quality Revol. Loan Fund	0	0	0	6,434,000	40,000,000	0	46,434,000
UA01.04	MDE: Hazardous Substance Cleanup	0	0	0	700,000	0	0	700,000
UA01.05	MDE: Drinking Water Revol. Loan Fund	0	0	0	1,816,000	10,600,000	0	12,416,000
UA04A.1	MDE: CBWQ Nutrient Removal	17,832,000	0	0	0	0	0	17,832,000
UA04A.2	MDE: CBWQ Supplemental Assistance	4,766,000	0	0	0	0	0	4,766,000
UA04A.3	MDE: CBWQ Small Creeks & Estuaries	450,000	0	0	0	0	0	450,000
UA04A.4	MDE: CBWQ Stormwater Pollution Ctrl.	500,000	0	0	0	0	0	500,000
UA04B	MDE: Water Supply Assistance Fund	1,500,000	0	0	0	0	0	1,500,000
UA05A	MDE: Comp. Flood Management Grants	667,000	0	0	0	0	0	667,000
UB00A	MES: Infrastructure Improvement Fund	3,360,000	0	0	0	0	0	3,360,000
Subtotal		\$71,175,000	\$0	\$0	\$10,525,000	\$124,384,665	\$2,000,000	\$208,084,665

Capital Program As Passed - 2002 Session

The 90 Day Report



**Exhibit A2.3 (Cont.)**

		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Public Safety								
DE02.0190B	Hagerstown Central Kithen	0	0	0	0	3,441,000	0	3,441,000
QA01.05.2	DPSCS: Public Safety Training Center	962,000	0	0	0	0	0	962,000
QB06A	DPSCS: Central Laundry Kitch/Dining Reno	215,000	0	0	0	0	0	215,000
QB08A	DPSCS: WCI Support Services Building	122,000	0	0	0	0	0	122,000
QD00A	DPSCS: Patuxent Fire Safety Improvements	6,560,000	0	0	0	0	0	6,560,000
QP00A	DPSCS: BCDC Fire Safety & Utility Improv	2,000,000	0	0	0	0	0	2,000,000
WA01B	DSP: North East Barrack and Garage	300,000	0	0	0	0	0	300,000
WA01C	DSP: DNA Storage Facility	331,000	0	0	0	0	0	331,000
ZB02A	Jails: Balt. Co. Detention Center	5,000,000	0	0	0	0	0	5,000,000
ZB02B	Jails: Calvert Co. Detention Center	175,000	0	0	0	0	0	175,000
ZD00A.02	MCI-J: Perimeter Security/Gatehouse	3,000,000	0	0	0	0	0	3,000,000
ZD00A.03	Patuxent Institution - Fence/Gatehouse	3,300,000	0	0	0	0	0	3,300,000
ZD00A.14	MCI-J: Perimeter Security/Gatehouse	2,557,000	0	0	0	0	0	2,557,000
Subtotal		\$24,522,000	\$0	\$0	\$0	\$3,441,000	\$0	\$27,963,000
Education								
DE02.02A	Public School Construction Program	224,100,000	0	0	3,000,000	2,400,000	10,536,000	240,036,000
ZA00 C	Baltimore City Zoo Redevelopment	4,750,000	0	0	0	0	0	4,750,000
Subtotal		\$228,850,000	\$0	\$0	\$3,000,000	\$2,400,000	\$10,536,000	\$244,786,000
Higher Education								
RB21A	UMB: New Dental School	16,550,000	0	10,100,000	0	0	0	26,650,000
RB21B	UMB: Howard Hall	1,500,000	0	0	0	0	0	1,500,000
RB22A	UMCP: New Arena	4,000,000	0	0	0	0	0	4,000,000
RB22B	UMCP: New Biological Sci. Research Bld.	1,900,000	0	0	0	0	0	1,900,000
RB22C	UMCP: Gossett Football Team House	1,000,000	0	0	0	0	0	1,000,000
RB22D	UMCP: Chem. & Nuclear Engin. Bldg.	279,000	0	3,450,000	0	0	0	3,729,000
RB22rb	UMCP: Key & Taliaferro Halls	0	0	1,550,000	0	0	0	1,550,000
RB23A	BSU: Ctr. for Business & Grad. Studies	550,000	0	0	0	0	0	550,000
RB24A	TU: Fine Arts Bldg. Additions & Alteration	3,373,000	0	0	0	0	0	3,373,000

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**Exhibit A2.3 (Cont.)**

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		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Higher Education								
RB25A	UMES: Waters & Somerset Halls	587,000	0	0	0	0	0	587,000
RB25rb	UMES: Utilities Upgrade	0	0	390,000	0	0	0	390,000
RB26A	FSU: Compton Science Ctr.	918,000	0	2,614,000	0	0	0	3,532,000
RB27A	CSC: Telecommunications Upgrade	2,500,000	0	0	0	0	0	2,500,000
RB27B	CSC: New Healh & Humans Srv. Bldg.	700,000	0	400,000	0	0	0	1,100,000
RB31A	UMBC: New Public Policy Institute	0	0	0	0	15,338,000	0	15,338,000
RB31rb	UMBC: Info Tech./Engineering Facil.	0	0	3,941,000	0	0	0	3,941,000
RB34A	CES: Aquaculture & Rest. Ecology Lab	18,000	0	3,445,000	0	0	0	3,463,000
RB35A	UMBI: CARB II Building	500,000	0	0	0	0	0	500,000
RB36A	USM: Capital Facilities Renewal	2,000,000	0	10,000,000	0	0	0	12,000,000
RB36B	USM: Hagerstown Education Center	12,394,000	0	0	0	0	0	12,394,000
RD00A	SMC: New Academic Building	1,543,000	0	0	0	0	0	1,543,000
RD00C	SMC: New Student Services Building	415,000	0	0	0	0	0	415,000
RI00A	MHEC: Comm. College Grant Prgm.	32,416,000	0	0	0	0	0	32,416,000
RM00	MSU: Steam Boiler Replace.\Plant Renov.	0	0	4,110,000	0	0	0	4,110,000
RM00A	MSU: Commun. Ctr. & Pedestrian Bridge	18,414,000	0	0	0	0	0	18,414,000
RM00C	MSU: Sci. Research Facility & Greenhouse	2,600,000	0	0	0	0	0	2,600,000
RQ00A	UMMS: Diagnostic & Treatment Facil.	8,000,000	0	0	0	0	0	8,000,000
ZA00 D	MICUA: Capitol College	3,000,000	0	0	0	0	0	3,000,000
ZA00 H	MICUA: College of Notre Dame	850,000	0	0	0	0	0	850,000
ZA00 J	Eastern Shore Higher Ed. Ctr.	600,000	0	0	0	0	0	600,000
ZA00 M	MICUA: JHU New Chemistry Bldg.	425,000	0	0	0	0	0	425,000
ZA00 N	JHU Bloomberg School of Public Health	4,133,000	0	0	0	0	0	4,133,000
ZA00 O	JHU School of Medicine Research Bldg.	2,934,000	0	0	0	0	0	2,934,000
ZA00NN	MICUA: Wash. College Sci. Complex	2,575,000	0	0	0	0	0	2,575,000
ZD00A.04	UMB: Health Sciences Research Facility II	10,000,000	0	0	0	0	0	10,000,000
ZD00A.05	UMB: New Dental School	3,500,000	0	0	0	0	0	3,500,000
ZD00A.06	UMCP: Engineering & Applied Sciences Bl	6,203,000	0	0	0	0	0	6,203,000
ZD00A.07	UMBC: Chemistry/Physics Building	8,100,000	0	0	0	0	0	8,100,000

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**Exhibit A2.3 (Cont.)**

*Part A - Budget and State Aid*

		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Higher Education								
ZD00A.08	FSU: New Science Building	10,000,000	0	0	0	0	0	10,000,000
ZD00A.09	USM: Assateague Education & Research Ct	1,000,000	0	0	0	0	0	1,000,000
ZD00A.10	St. Mary's College - Somerset Hall	1,087,000	0	0	0	0	0	1,087,000
ZD00A.11	MHEC: Bladen and Lanham Halls Renovati	525,000	0	0	0	0	0	525,000
ZD00A.12	MHEC: Community College Grant Program	1,110,000	0	0	0	0	0	1,110,000
ZD00A.15	UMB: Health Sciences Research Facility II	17,746,000	0	0	0	0	0	17,746,000
ZD00A.16	UMCP: Chemistry Teaching Building	1,860,000	0	0	0	0	0	1,860,000
ZD00A.17	BSU: Campuswide Site Improvements	1,300,000	0	0	0	0	0	1,300,000
ZD00A.18	UMES: Social Sci. Ed. & Health Science Bl	5,365,000	0	0	0	0	0	5,365,000
ZD00A.19	UMES: Phys. Plant/Central Receiving Bldg.	972,000	0	0	0	0	0	972,000
ZD00A.20	UMES: Food Science and Technology Cent	1,300,000	0	0	0	0	0	1,300,000
ZD00A.21	TU: 7800 York Road	1,600,000	0	0	0	0	0	1,600,000
ZD00A.22	CSU: Dining Facilities	1,500,000	0	0	0	0	0	1,500,000
ZD00A.23	UB: Charles Hall and Annex	1,300,000	0	0	0	0	0	1,300,000
ZD00A.24	SU: New Science Building	939,000	0	0	0	0	0	939,000
ZD00A.25	FSU: New Science Building	3,300,000	0	0	0	0	0	3,300,000
ZD00A.26	UMBC: Chemistry/Physics Building	14,600,000	0	0	0	0	0	14,600,000
ZD00A.27	USM: Shady Grove Educational Center III	1,000,000	0	0	0	0	0	1,000,000
ZD00A.28	UMBC: Information Tech./Engineering Faci	21,800,000	0	0	0	0	0	21,800,000
ZD00A.29	UMCES: Aquaculture and Ecology	14,000,000	0	0	0	0	0	14,000,000
ZD00A.30	St. Mary's College - Somerset Hall	2,167,000	0	0	0	0	0	2,167,000
ZD00A.31	MSU: Sci. Research Building w/Greenhouse	3,210,000	0	0	0	0	0	3,210,000
ZD00B.02	JHU: School of Medicine	7,933,000	0	0	0	0	0	7,933,000
ZD00B.03	JHU: School of Public Health	2,067,000	0	0	0	0	0	2,067,000
ZD00B.06	JHU: School of Medicine	7,933,000	0	0	0	0	0	7,933,000
Subtotal		\$280,091,000	\$0	\$40,000,000	\$0	\$15,338,000	\$0	\$335,429,000
Housing/Community Development								
DB01B	HSMCC: St. John's Archaeol. Exhibit	2,217,000	0	0	0	0	0	2,217,000

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**Exhibit A2.3 (Cont.)**

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		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Housing/Community Development								
SA23.06	DHCD: MHT Revolving Loan Fund	0	0	0	0	250,000	0	250,000
SA23A	DHCD: Capital Grant Fund	500,000	0	0	0	0	0	500,000
SA24.02.1	DHCD: Neighborhood Business Developme	0	0	0	0	3,356,000	0	3,356,000
SA24.02.3	DHCD: Community Development Block Gr	0	0	0	0	0	8,330,000	8,330,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	0	6,000,000
SA25.07	DHCD: Rental Housing Programs	0	0	0	7,061,000	4,939,000	4,700,000	16,700,000
SA25.08	DHCD: Homeownership Programs	0	0	0	2,781,000	4,719,000	100,000	7,600,000
SA25.09	DHCD: Special Loan Programs	0	0	0	4,753,000	4,747,000	1,629,000	11,129,000
SA25A	DHCD: Partnership Rental Housing Program	8,000,000	0	0	0	0	0	8,000,000
SA25B	DHCD: Shelter and Transitional Housing Fa	800,000	0	0	0	0	0	800,000
ZA00 R	African American Museum	9,242,000	0	0	0	0	0	9,242,000
Subtotal		\$26,759,000	\$0	\$0	\$14,595,000	\$18,011,000	\$14,759,000	\$74,124,000
Economic Development								
DE02.01.02	TEDCO: Tech. Devel. Investment Fund	0	0	0	3,000,000	0	0	3,000,000
DU00.02	Canal Place Improvements	0	0	0	1,075,000	0	0	1,075,000
TF00.09	DBED: Sm. Business Devel. (MSBDFA)	0	0	0	2,080,000	6,095,000	0	8,175,000
TF00.17.1	DBED: Enterprise Investment	0	0	0	4,500,000	0	0	4,500,000
TF00.17.2	DBED: Challenge Investment Prgm.	0	0	0	0	2,000,000	0	2,000,000
TF00.21	DBED: Md. Econ. Adj. Fund (MEAF)	0	0	0	0	1,500,000	0	1,500,000
TF00.23	DBED: Md. Econ. Devel. Asst. (MEDAF)	0	0	0	2,000,000	30,000,000	0	32,000,000
TF00.24	DBED: Md. Comp. Adv. Fin. (MCAFF)	0	0	0	800,000	200,000	0	1,000,000
TF00.25	DBED: One Maryland	0	0	0	7,500,000	200,000	0	7,700,000
Subtotal		\$0	\$0	\$0	\$20,955,000	\$39,995,000	\$0	\$60,950,000
Local Projects								
DE02.0190C	East Baltimore Biotechnology Park	0	0	0	0	2,000,000	0	2,000,000
ZA00 A	Allegheny Highlands Trail	1,000,000	0	0	0	0	0	1,000,000
ZA00 B	Baltimore City Revitalization Projects	5,000,000	0	0	0	0	0	5,000,000
ZA00 E	Centro de la Comunidad	100,000	0	0	0	0	0	100,000

Capital Program As Passed - 2002 Session

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**Exhibit A2.3 (Cont.)**

*Part A - Budget and State Aid*

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Local Projects								
ZA00 F	Chesapeake Village Park	250,000	0	0	0	0	0	250,000
ZA00 I	Dundalk Revitalization	1,750,000	0	0	0	0	0	1,750,000
ZA00 K	Foundation School	500,000	0	0	0	0	0	500,000
ZA00 L	Great Blacks in Wax Museum	750,000	0	0	0	0	0	750,000
ZA00 P	Link-Ages Place	50,000	0	0	0	0	0	50,000
ZA00 Q	Lone Oak Center	500,000	0	0	0	0	0	500,000
ZA00 S	Md. Hall for the Creative Arts	250,000	0	0	0	0	0	250,000
ZA00 U	Md. Science Center	1,000,000	0	0	0	0	0	1,000,000
ZA00 V	Mont. Co. Family Services	250,000	0	0	0	0	0	250,000
ZA00 W	National Aquarium in Baltimore	1,500,000	0	0	0	0	0	1,500,000
ZA00 X	National Federation for the Blind	2,000,000	0	0	0	0	0	2,000,000
ZA00 Y	National Capital Trolley Mus.	100,000	0	0	0	0	0	100,000
ZA00 Z	North Point Indoor Soccer Fac.	900,000	0	0	0	0	0	900,000
ZA00AA	Olney Boys & Girls Club	100,000	0	0	0	0	0	100,000
ZA00BB	Olney Theatre	500,000	0	0	0	0	0	500,000
ZA00CC	Outward Bound	500,000	0	0	0	0	0	500,000
ZA00DD	Park Heights Comm. Men's Ctr.	350,000	0	0	0	0	0	350,000
ZA00EE	Park Heights Golf Range	500,000	0	0	0	0	0	500,000
ZA00HH	Quiet Waters Amphitheater	200,000	0	0	0	0	0	200,000
ZA00JJ	Rockville Parking Garage	1,000,000	0	0	0	0	0	1,000,000
ZA00KK	Strathmore Hall Performing Arts Ctr.	3,000,000	0	0	0	0	0	3,000,000
ZA00LL	Takoma Park Comm. Lrng. Ctr.	1,000,000	0	0	0	0	0	1,000,000
ZA00OO	Wheaton Multipurpose Yth Ctr.	175,000	0	0	0	0	0	175,000
ZA00QQ	Ripken Stadium & Youth Academy	500,000	0	0	500,000	0	0	1,000,000
ZD00B.01	Takoma Park Community Learning Center	500,000	0	0	0	0	0	500,000
ZD00B.04	Penn Place - Garrett Park	500,000	0	0	0	0	0	500,000
ZD00B.05	Maryland Science Center	4,000,000	0	0	0	0	0	4,000,000
ZD00B.07	Howard County Head Start Center	500,000	0	0	0	0	0	500,000
ZD00B.08	Doctors Community Hospital	1,000,000	0	0	0	0	0	1,000,000

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**Exhibit A2.3 (Cont.)**

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		Bonds			Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Recycled	Agency	General	Special	Federal	Total Funds
Local Projects								
ZD00B.09	Gateway Arts District	650,000	0	0	0	0	0	650,000
ZD00B.10	Suitland Manor Revitalization	3,000,000	0	0	0	0	0	3,000,000
	Subtotal	\$33,875,000	\$0	\$0	\$500,000	\$2,000,000	\$0	\$36,375,000
Transportation*								
ZG00	Transportation	0	0	360,000,000	0	455,051,114	790,326,632	1,605,377,746
	Subtotal	\$0	\$0	\$360,000,000	\$0	\$455,051,114	\$790,326,632	\$1,605,377,746
Deauthorizations								
ZZ01	Deauthorizations as Introduced	-11,058,000	0	0	0	0	0	-11,058,000
	Subtotal	\$-11,058,000	\$0	\$0	\$0	\$0	\$0	\$-11,058,000
Total		\$720,000,000	\$868,000	\$400,000,000	\$49,575,000	\$663,720,779	\$820,168,632	\$2,654,332,411
PAYGO Replacement		-328,703,000		-10,100,000		-15,338,000		-354,141,000
Total New Funding		\$391,297,000		\$389,900,000		\$648,382,779		\$2,300,191,411

\*Transportation capital funded off budget totals \$244 million

## PAYGO Reversions and Replacement Funding

The Budget Reconciliation and Finance Act of 2002, *Senate Bill 323 (passed)*, withdraws \$457.2 million in general fund PAYGO appropriations from fiscal 1999 through 2002. Of this amount, \$354.1 million is being replaced in fiscal 2003, primarily with general obligation bond funding. Funding taken from ongoing financing programs in the Departments of Agriculture, Business and Economic Development, Housing and Community Development, and Natural Resources, totaling \$40.0 million will not be replaced. **Exhibit A2.4** lists the reversions and indicates the status of replacement funding.

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### Exhibit A2.4 PAYGO Reversions & Replacement Funding

<u>Fiscal</u> <u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>FY 2003</u> <u>Replacement</u>
<b>No Replacement</b>			
2001	Department of Health and Mental Hygiene - Western Maryland Center	\$57,000	\$0
2001	Maryland Stadium Authority - Memorial Stadium Demolition	1,800,000	0
2001	School Construction Program - Solar Energy Pilot Projects	250,000	0
2002	Department of Business and Economic Development - Maryland Competitive Advantage Financing Fund	525,000	0
2002	Department of Business and Economic Development - Maryland Economic Development Assistance Fund	3,750,000	0
2002	Department of Business and Economic Development - Maryland Small Business Development Financing Authority	568,750	0
2002	Department of Business and Economic Development - Smart Growth Economic Development Infrastructure Fund (One Maryland)	2,500,000	0
2002	Department of Housing and Community Development - Homeownership Programs	1,354,750	0
2002	Department of Housing and Community Development - Neighborhood Business Development Program	1,941,000	0
2002	Department of Housing and Community Development - Rental Housing Programs	1,967,750	0

**Exhibit A2.4 (Cont.)**  
**PAYGO Reversions & Replacement Funding**

<b>Fiscal</b>			<b>FY 2003</b>
<b><u>Year</u></b>	<b><u>Project/Program</u></b>	<b><u>Reversion</u></b>	<b><u>Replacement</u></b>
<b>No Replacement</b>			
2002	Department of Housing and Community Development - Special Loan Programs	1,510,500	0
2002	Department of Natural Resources - GreenPrint	5,000,000	0
2002	Department of Natural Resources - Oyster Restoration	500,000	0
2002	Department of Natural Resources - Park Improvement Program	750,000	0
2002	Department of Natural Resources - Community Parks & Playgrounds	5,500,000	0
2002	Economic Development Opportunities Program (Sunny Day Fund)	3,875,000	0
2002	High Speed Data Network	3,800,000	0
2002	Maryland Department of Agriculture - Agricultural Cost Share Program	1,600,000	0
2002	Maryland Department of the Environment - Nutrient Removal	1,250,000	0
2002	Maryland Technology Development Corporation - Technology Development Investment Fund	1,250,000	0
2002	School Construction Program - Solar Energy Pilot Projects	250,000	0
<b>Subtotal - No Replacement</b>		<b>\$39,999,750</b>	<b>\$0</b>
<b>Replacement Deferred to Future Year</b>			
1999	Rockville Science, Cultural and Business Resource Center	200,000	0
2000	Old Blair High School Auditorium Renovation	500,000	0
2001	Chesterwood Park	1,000,000	0
2001	Maryland Historical Society	1,000,000	0
2001	Phelps Center	570,000	0
2001	Walters Art Gallery	1,000,000	0
2002	Maryland Hall for Creative Arts	500,000	0
2002	Parole Plaza Improvements	500,000	0
2002	Public Safety Communication System	1,000,000	0
2002	Rockville Science, Cultural and Business Resource Center	500,000	0



**Exhibit A2.4 (Cont.)**  
**PAYGO Reversions & Replacement Funding**

<b>Fiscal</b>			<b>FY 2003</b>
<b>Year</b>	<b>Project/Program</b>	<b>Reversion</b>	<b>Replacement</b>
<b>Replacement Deferred to Future Year</b>			
2002	YMCA of Central - Howard County Branch	1,500,000	0
<b>Subtotal - Replacement Deferred to Future Year</b>		<b>\$8,270,000</b>	<b>\$0</b>
<b>Partial Replacement - Remainder Deferred to Future Year</b>			
2001	Maryland Stadium Authority - Memorial Stadium Demolition - Veterans' Memorial	1,200,000	200,000
2002	Chesapeake Village Park	1,000,000	250,000
2002	Doctors Community Hospital	2,000,000	1,000,000
2002	Foundation School	1,000,000	500,000
2002	Gateway Arts District	1,000,000	650,000
2002	Towson University - Fine Arts Building	7,443,000	3,373,000
2002	University of Maryland Biotechnology Institute - Center for Advanced Research in Biotechnology - Second Building	42,442,000	500,000
2002	University of Maryland, Baltimore County - Public Policy Institute <sup>1</sup>	17,542,000	15,338,000
<b>Subtotal - Partial Replacement - Remainder Deferred to Future Year</b>		<b>\$73,627,000</b>	<b>\$21,811,000</b>
<b>Fully Replaced</b>			
1999	School Construction Program	784,000	784,000
2000	School Construction Program	2,728,000	2,728,000
2000	Takoma Park Community Learning Center	500,000	500,000
2001	Centro de la Comunidad, Inc.	100,000	100,000
2001	Dundalk Revitalization	1,750,000	1,750,000
2001	Frostburg State University - New Science Building	10,000,000	10,000,000
2001	Lone Oak Center	500,000	500,000
2001	Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse	3,000,000	3,000,000
2001	Maryland Hall for the Creative Arts	250,000	250,000
2001	Maryland Higher Education Commission - Community College Grant Program	1,110,000	1,110,000
2001	Maryland Higher Education Commission - Bladen and Lanham Halls Renovation	525,000	525,000
2001	Maryland Science Center	4,000,000	4,000,000

**Exhibit A2.4 (Cont.)**  
**PAYGO Reversions & Replacement Funding**

<b>Fiscal</b>			<b>FY 2003</b>
<b><u>Year</u></b>	<b><u>Project/Program</u></b>	<b><u>Reversion</u></b>	<b><u>Replacement</u></b>
<b>Fully Replaced</b>			
2001	North Point Indoor Soccer Facility	900,000	900,000
2001	Outward Bound - Leakin Park Campus	500,000	500,000
2001	Park Heights Community Men's Center	350,000	350,000
2001	Patuxent Institution - Fence/Gatehouse	3,300,000	3,300,000
2001	Penn Place - Garrett Park	500,000	500,000
2001	Quiet Waters Amphitheater	200,000	200,000
2001	Rockville District Court	4,600,000	4,600,000
2001	Rockville Parking Garage	1,000,000	1,000,000
2001	School Construction Program	37,532,000	37,532,000
2001	St. Mary's College - Somerset Hall	1,087,000	1,087,000
2001	Takoma Park Comm Learning Center	500,000	500,000
2001	The Johns Hopkins University - School of Medicine	7,933,000	7,933,000
2001	The Johns Hopkins University - School of Public Health	2,067,000	2,067,000
2001	University of Maryland, Baltimore - New Dental School	16,150,000	16,150,000
2001	University of Maryland, Baltimore - Health Sciences Research Facility II	10,000,000	10,000,000
2001	University of Maryland, Baltimore County - Chemistry/Physics Building	8,100,000	8,100,000
2001	University of Maryland, College Park - Engineering & Applied Sciences Building	6,203,000	6,203,000
2001	University System of Maryland Office - Assateague Education & Research Center	1,000,000	1,000,000
2002	Allegheny Highlands	1,000,000	1,000,000
2002	Bowie State University - Campuswide Site Improvements	1,300,000	1,300,000
2002	Coppin State College - Dining Facilities	1,500,000	1,500,000
2002	Frostburg State University - New Science Building	3,300,000	3,300,000
2002	Great Blacks in Wax	750,000	750,000
2002	Howard County Head Start Center	500,000	500,000
2002	Legislative Facilities	15,000,000	15,000,000
2002	Link - Ages	50,000	50,000

**Exhibit A2.4 (Cont.)**  
**PAYGO Reversions & Replacement Funding**

<b>Fiscal</b>			<b>FY 2003</b>
<b><u>Year</u></b>	<b><u>Project/Program</u></b>	<b><u>Reversion</u></b>	<b><u>Replacement</u></b>
<b>Fully Replaced</b>			
2002	Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse	2,557,000	2,557,000
2002	Maryland Higher Education Commission - Community Colleges Grant Program <sup>2</sup>	4,821,000	1,800,000
2002	Montgomery County Family Services	250,000	250,000
2002	Morgan State University - Science Research Building with Greenhouse	3,210,000	3,210,000
2002	National Capitol Trolley Museum	100,000	100,000
2002	Olney Boys and Girls Club	100,000	100,000
2002	Olney Theatre	500,000	500,000
2002	Park Heights Golf Range	500,000	500,000
2002	Salisbury University - New Science Building	939,000	939,000
2002	School Construction Program	47,956,000	47,956,000
2002	Springfield Hospital - Electrical Distribution System	70,000	70,000
2002	St. Mary's College - Somerset Hall	2,167,000	2,167,000
2002	Suitland Manor Revitalization	3,000,000	3,000,000
2002	Takoma Park Community Learning Center	500,000	500,000
2002	The Johns Hopkins University - School of Medicine	7,933,000	7,933,000
2002	The Johns Hopkins University School of Public Health	2,067,000	2,067,000
2002	Towson University - 7800 York Road	1,600,000	1,600,000
2002	University of Baltimore - Charles Hall and Annex	1,300,000	1,300,000
2002	University of Maryland Center for Environmental Science - Aquaculture and Ecology Lab	14,000,000	14,000,000
2002	University of Maryland, Baltimore - Health Sciences Research Facility II	17,746,000	17,746,000
2002	University of Maryland, Baltimore - New Dental School <sup>3</sup>	14,000,000	14,000,000
2002	University of Maryland, Baltimore County - Chemistry/Physics Building	14,600,000	14,600,000
2002	University of Maryland, Baltimore County - Information Technology/Engineering Facility	21,800,000	21,800,000
2002	University of Maryland, College Park - Chemistry Teaching Building	1,860,000	1,860,000

**Exhibit A2.4 (Cont.)**  
**PAYGO Reversions & Replacement Funding**

<b>Fiscal</b>			<b>FY 2003</b>
<b><u>Year</u></b>	<b><u>Project/Program</u></b>	<b><u>Reversion</u></b>	<b><u>Replacement</u></b>
<b>Fully Replaced</b>			
2002	University of Maryland, Eastern Shore - Food Science and Technology Center	1,300,000	1,300,000
2002	University of Maryland, Eastern Shore - Physical Plant/Central Receiving Building	972,000	972,000
2002	University of Maryland, Eastern Shore - Social Science, Education, & Health Science Building	5,365,000	5,365,000
2002	University System of Maryland Office - New Hagerstown Higher Educational Center	12,394,000	12,394,000
2002	University System of Maryland Office - Shady Grove Educational Center III	1,000,000	1,000,000
2002	Wheaton Multi-purpose Youth	175,000	175,000
<b>Subtotal - Fully Replaced</b>		<b>\$335,351,000</b>	<b>\$332,330,000</b>
<b>Grand Total</b>		<b>\$457,247,750</b>	<b>\$354,141,000</b>

<sup>1</sup>Funding provided by means of a transfer from the Dedicated Purpose Account authorized in [Senate Bill 323](#).

<sup>2</sup>General obligation bond funding of \$1.8 million, combined with the available balance in the community college grant program from completed projects provides full funding of all fiscal 2002 approved projects.

<sup>3</sup>Of the replacement funding, \$10.1 million is academic revenue bonds.

## Debt Affordability

In its September 2001 report, the Capital Debt Affordability Committee (CDAC) recommended a general obligation bond debt authorization limit of \$520 million for fiscal 2003. This recommendation includes a \$15 million increase in the limit over the previous year. The Spending Affordability Committee recommended that debt authorizations be increased to \$720 million to allow up to \$200 million in previously authorized general fund PAYGO to be reverted and replaced with debt. The Governor's capital budget as introduced \$731.1 million in net new general obligation debt. The budget as passed by the General Assembly includes \$720 million in net new general obligation debt, consistent with the recommendation of the Spending Affordability Committee.

In order to move previously authorized PAYGO projects into the general obligation bond program, projects totaling approximately \$129 million had to be deferred. To help ensure that the projects that were deferred from fiscal 2003 are funded in fiscal 2004 and to avoid a delay of planned fiscal 2004 projects, the budget committees adopted committee narrative indicating support to increase the fiscal 2004 debt limit by up to \$200 million above the \$535 million anticipated provided that the debt ratios remain favorable given the increased debt proposed and with the understanding that debt authorizations would return to the levels anticipated in the 2001 CDAC report beginning in fiscal 2005.

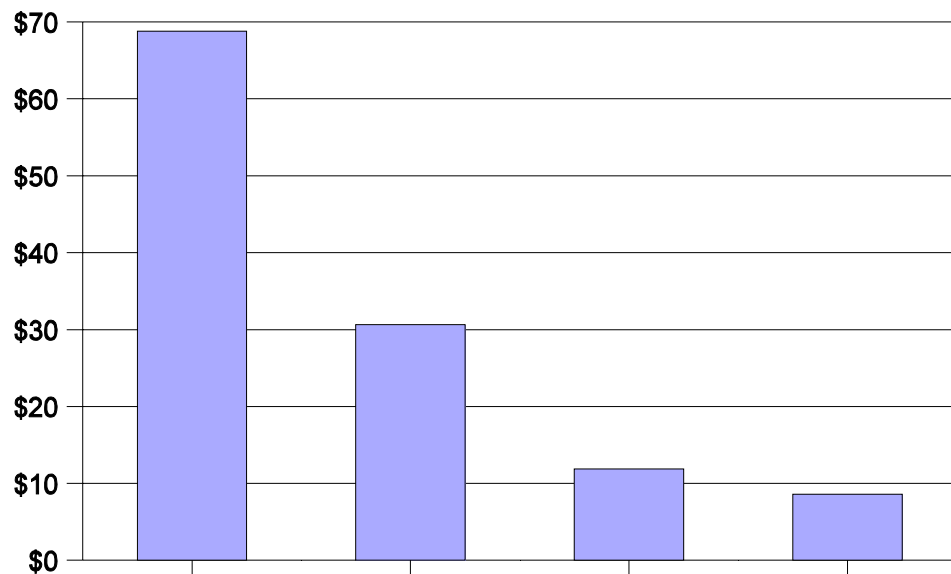
### **Fiscal 2004 Capital Bond Authorizations**

*Senate Bill 288* includes a general obligation bond authorization not effective until fiscal 2004. The bill authorizes \$52 million to support the completion of design and construction work for a new library at Morgan State University. Funds expended by the university, prior to fiscal 2004, are to be reimbursed from the fiscal 2004 bond funds when they become available.

### **Higher Education**

The fiscal 2003 capital program for all segments of higher education is \$335.5 million, including general obligation bonds, academic revenue bonds, and special funds. Special fund capital funding is from the Dedicated Purpose Fund contingent on the enactment of relevant legislation and the processing of a budget amendment. The capital program includes \$119.9 million for new projects and \$215.5 million for projects for which previously authorized general fund PAYGO support is reverted. **Exhibit A2.5** shows fiscal 2003 capital funding by higher education segment for the new projects authorized this session.

**Exhibit A2.5**  
**Higher Education**  
**Fiscal 2003 Legislative Appropriation by Segment**  
**(\$ in Millions)**



	<b><u>Public Four-Year Institutions</u></b>	<b><u>Community Colleges</u></b>	<b><u>Private Institutions</u></b>	<b><u>Centers and Medical System</u></b>
<b>Number of Projects</b>	20	32	6	2
<b>Authorization</b>	\$68.824	\$30.616	\$11.853	\$8.600

The *Capital Improvement Plan* (CIP) shows \$1.017 billion in capital spending for higher education projects over the fiscal 2004-2007 period. **Exhibit A2.6** shows the fiscal 2003 legislative appropriation for higher education capital and the funding anticipated in the CIP for fiscal 2004-2007. **Exhibit A2.7** shows the fiscal 2003 allocation of capital funding by institution.

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**Exhibit A2.6**  
**Higher Education**  
**Fiscal 2003 Legislative Appropriation and Out-Year Capital Funding**  
**(\$ in Thousands)**

<b>Fiscal Years</b>						
<b>Source</b>	<b><u>2003*</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>Total</u></b>
G.O. Bonds	\$89,990	\$193,800	\$238,800	\$180,350	\$229,250	\$932,190
PAYGO	-	\$5,000	-	-	-	\$5,000
Acad. Rev. Bonds	\$29,900	\$32,350	\$44,350	\$59,550	\$33,850	\$200,000
<b>Total</b>	<b>\$119,890</b>	<b>\$231,150</b>	<b>\$283,150</b>	<b>\$239,900</b>	<b>\$263,100</b>	<b>\$1,137,190</b>

\*Excludes PAYGO replacement funding.

Source: Department of Legislative Services and Fiscal 2003 *Capital Improvement Program*

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**Exhibit A2.7**  
**Higher Education**  
**Fiscal 2003 Allocation of Capital Funding by Institution**  
**(\$ in Thousands)**

<b><u>Institution</u></b>	<b><u>FY 2003 Capital Funding</u></b>
University of Maryland, Baltimore	\$1,500
University of Maryland, College Park	12,179
Bowie State University	550
University of Maryland, Eastern Shore	977
Frostburg State University	3,532
Coppin State College	3,600
University of Maryland, Baltimore County	3,941
UM Center for Environmental Science	3,463
USM Office	12,000

**Exhibit A2.7 (Cont.)**  
**Higher Education**  
**Fiscal 2003 Allocation of Capital Funding by Institution**  
**(\$ in Thousands)**

<u><b>Institution</b></u>	<u><b>FY 2003 Capital Funding</b></u>
Eastern Shore Higher Education Center	600
St. Mary's College of Maryland	1,958
Morgan State University	25,124
UM Medical System	8,000
Community Colleges	30,616
Independent Colleges	6,850
Johns Hopkins University	5,000
<b>Total</b>	<b>\$121,893</b>

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### **Public School Construction**

The fiscal 2003 capital budget includes \$240 million for public school construction. Of this amount, \$89 million replaces previously authorized general fund PAYGO withdrawn in the Budget Reconciliation and Finance Act of 2002 (*Senate Bill 323*) in order to help balance the operating budget. Excluding this replacement, new funding totals \$151 million. An additional \$6 million representing funds remaining from completed projects is also available for distribution in fiscal 2003 bringing the total available to \$157 million. The Board of Public Works allocated \$110.4 million of this funding in January 2002. The remaining funds will be allocated by the board in May 2002. **Exhibit A2.8** shows the initial allocations for each jurisdiction.

The new funding comprises \$135.1 million in general obligation bonds, \$3.0 million in general fund PAYGO, \$2.4 million in special fund PAYGO, and \$10.5 million in federal fund PAYGO. The \$10.5 million in federal fund PAYGO reflects funds for school renovation, accessibility projects, and asbestos removal projects that will be awarded under federal guidelines and through an application process.

The \$2.4 million in special fund PAYGO is from the Maryland Stadium Authority (MSA). Section 13-715.2 of the Financial Institutions Article requires the MSA to annually contribute \$2.4 million for school construction between fiscal 2001 and 2010 inclusive. However, language added to the fiscal 2003 special fund appropriation for school construction allows the appropriation only to the extent that the transfer from the MSA does not result in a negative balance in the Maryland Stadium Authority Financing Fund at the close of fiscal 2003.



The fiscal 2003 operating budget contains \$10.4 million for improvements and repairs to existing school buildings under the Aging Schools Program. The operating budget also contains \$1.9 million from the Cigarette Restitution Fund for a second-year lease repayment on Technology in Maryland Schools Program funding borrowed to wire all schools for technology.

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**Exhibit A2.8**  
**Public School Construction Allocations**

<b><u>LEA</u></b>	<b><u>FY 2003 Allocation</u></b>
Allegany	\$0
Anne Arundel	6,710,000
Baltimore City	9,663,000
Baltimore County	11,345,000
Calvert	5,000,000
Caroline	1,055,000
Carroll	5,562,000
Cecil	0
Charles	5,598,000
Dorchester	3,268,000
Frederick	7,525,000
Garrett	2,395,000
Harford	4,636,000
Howard	7,911,000

**Exhibit A2.8 (Cont.)**  
**Public School Construction Allocations**

<b><u>LEA</u></b>	<b><u>FY 2003 Allocation</u></b>
Kent	550,000
Montgomery	11,855,000
Prince George's	12,347,000
Queen Anne's	5,000,000
St. Mary's	4,443,000
Somerset	0
Talbot	0
Washington	1,361,000
Wicomico	2,684,000
Worcester	1,518,000
<b>Subtotal</b>	<b>\$110,426,000</b>
To be allocated in May 2002	36,074,000
Federal funds to be allocated via application process	10,536,000
<b>Total FY 2003</b>	<b>\$157,036,000</b>

Note: The exhibit includes \$6.0 million in funds appropriated in previous years and reallocated from the Public School Construction Program Contingency Account.

Source: Department of Legislative Services and the Fiscal 2003 Public School Construction Capital Improvement Program, as amended on January 22, 2002.

## **Transfer Tax**

In light of the recent fiscal condition of the State, approximately half of the revenues (\$47,268,585) from the transfer tax will be transferred to the general fund in fiscal 2003 and 2004. The programs funded by the transfer tax that will be impacted by this transfer are the following: Program Open Space, the Maryland Agricultural Land Preservation Foundation, Rural Legacy, and the Heritage Conservation Fund. **Exhibit A2.9** shows the transfer tax allocation for fiscal 2003.

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**Exhibit A2.9**  
**Fiscal 2003 Transfer Tax Allocation**

	<u>Prior Law</u>	<u>SB 323 Change</u>	<u>Variance</u>
POS State Acquisition	\$21,384,607	\$8,925,198	(\$12,459,409)
POS State Development	9,964,214	3,858,659	(6,105,555)
State Park Operating	950,000	950,000	0
Local Program	39,241,172	17,261,171	(21,980,001)
Heritage Areas Authority	1,000,000	1,000,000	0
Heritage Conservation	1,903,769	850,835	(1,052,934)
Rural Legacy	13,288,246	6,363,429	(6,924,817)
Ag Land Preservation	18,032,920	8,059,294	(9,973,626)
<b>Total</b>	<b>\$105,764,928</b>	<b>\$47,268,586</b>	<b>(58,496,342)</b>

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## **Aid to Local Government**

### **Overview of State Assistance to Local Government**

State assistance to local governments accounts for approximately 25 percent of State expenditures. This assistance includes direct aid to county and municipal governments, local school systems, libraries, community colleges, and local health departments; and retirement payments made on behalf of local school systems, libraries, and community colleges.

In fiscal 2003, local governments will receive \$3.7 billion in direct State aid. This represents a \$239.8 million, or 6.8 percent increase over fiscal 2002. The State will also pay \$377.7 million for the employer's share of retirement costs for local school teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained by the State. These State payments do not go through the local governments but are paid directly to the State Retirement Agency.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. Legislation enacted in 1990 established the Baltimore City Community College as a State agency with State assumption beginning in fiscal 1991. The State previously funded the city's community college through a formula program. Legislation enacted in 1991 authorized the State to assume the costs and operation of the Baltimore City jail and provided for State operation of a central booking facility in Baltimore City by fiscal 1995. State funding for Baltimore City under the police aid formula was discontinued to offset the State costs for these functions. Legislation enacted in 1996 provided a small grant to Baltimore City under the police aid formula beginning in fiscal 1997. The State also increased funding for the Washington Metropolitan area transit system. The mass transit system serving the Baltimore area is operated by the Maryland Department of Transportation. The level of State funding for State assumed functions will total \$161.2 million in fiscal 2003.

Overall State assistance to local governments, including the recently assumed costs, totals almost \$4.3 billion. This represents a 6.8 percent increase over fiscal 2002. **Exhibit A3.1** provides a summary of State aid since fiscal 1996.

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**Exhibit A3.1**  
**Summary of State Assistance to Local Governments**  
**Fiscal 1996 - 2003**  
**(\$ in Millions)**

<b>Fiscal Year</b>	<b>Direct State Aid</b>	<b>Retirement Payments on Behalf</b>	<b>Subtotal</b>	<b>Functions Assumed by the State</b>	<b>Total</b>	<b>Percent Change</b>
1996	\$2,327.3	\$455.6	\$2,782.9	\$102.3	\$2,885.2	5.8%
1997	2,441.4	479.7	2,921.2	108.9	3,030.1	5.0%
1998	2,659.6	474.8	3,134.5	114.3	3,248.9	7.2%
1999	2,910.2	442.5	3,352.7	124.3	3,477.0	7.0%
2000	3,029.7	420.5	3,450.3	132.6	3,582.9	3.0%
2001	3,273.2	389.8	3,663.0	148.0	3,811.1	6.4%
2002	3,502.9	349.9	3,852.8	154.6	4,007.4	5.2%
2003	3,742.7	377.7	4,120.4	161.2	4,281.6	6.8%

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**State Aid Patterns**

As **Exhibit A3.2** indicates, the overall composition of State aid changed slightly between fiscal 2002 and 2003. State aid to local school systems accounts for nearly 76.0 percent of total State aid. County and municipal governments receive 17.0 percent of State aid, with most of the aid targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments account for the remaining 7.0 percent of State aid.

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**Exhibit A3.2**  
**Changes in State Aid Patterns**  
**(\$ in Millions)**

	<b>Fiscal 2002</b>	<b>Percent of Total</b>	<b>Fiscal 2003</b>	<b>Percent of Total</b>	<b>Percent Increase</b>
Public Schools	\$2,882.7	74.8%	\$3,112.9	75.6%	8.0%
Libraries	44.8	1.2%	47.4	1.2%	5.8%
Community Colleges	178.5	4.6%	189.8	4.6%	6.3%
Local Health	56.9	1.5%	61.9	1.5%	8.8%
General Government	689.9	17.9%	708.3	17.2%	2.7%
<b>Total</b>	<b>\$3,852.8</b>	<b>100.0%</b>	<b>\$4,120.4</b>	<b>100%</b>	<b>6.9%</b>

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## Changes in State Aid

Direct aid and retirement payments for local governments will increase by \$267.5 million, or 6.9 percent in fiscal 2003. Primarily this reflects statutorily mandated increases in State aid. **Exhibit A3.3** summarizes the distribution of direct State aid by governmental entity. The exhibit also shows the estimated State retirement payments for local employees. **Exhibit A3.4** compares total State aid in fiscal 2002 and 2003 by program.

### Primary and Secondary Education

State aid to local school systems will increase by \$230.3 million or 8.0 percent in fiscal 2003. State aid paid directly to local boards of education increases by \$203.9 million or 8.0 percent; whereas teachers' retirement costs paid by the State on behalf of local boards of education increases by \$26.3 million or 8.0 percent.

**Current Expense Aid:** State law provides for automatic increases in current expense formula aid based on two factors: student enrollment and prior years' spending growth. The current expense formula is based on school expenditures in the third and fourth prior years: the fiscal 2003 formula is affected by expenditures in fiscal 1999 and 2000. Current expense formula aid is not restricted to specific purposes and is distributed inversely to local wealth, as measured by net taxable income and property assessable base. The current expense formula is the largest State aid program accounting for 43.0 percent of total State assistance to local governments. In fiscal 2003, current expense aid will total \$1.8 billion, representing an \$83.0 million or 4.9 percent increase over fiscal 2002. This is based on a full-time equivalent enrollment count of 810,502 students and a \$4,291 per pupil foundation amount.

**Compensatory Aid:** The compensatory aid formula distributes funding to local school systems on the basis of the number of students from economically disadvantaged environments as measured by the student counts used for federal Title I aid. The Title I count for fiscal 2003 totals 132,412, a 16.5 percent increase from the prior year. In addition, the compensatory aid formula is tied to growth in the current expense formula in that the program's per pupil foundation is one-fourth of the foundation for the current expense formula. In fiscal 2003, the program's per pupil foundation will total \$1,072. Due to the growth in the foundation amount and the Title 1 count, compensatory aid increases by \$24.8 million or 21.2 percent in fiscal 2003.

**Exhibit A3.3**  
**State Assistance to Local Governments**  
**Fiscal 2003 Legislative Appropriation**  
**(\$ in Thousands)**

<b>County</b>	<b>Direct State Aid</b>						<b>Retirement</b>	<b>Change Over FY 2002</b>		
	<b>General Government</b>	<b>Community Colleges</b>	<b>Education</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		<b>Total</b>	<b>FY 2002</b>	<b>Percent Change</b>
Allegany	\$15,343	\$4,814	\$46,279	\$627	\$1,543	\$68,606	\$4,457	\$73,064	\$5,371	7.9%
Anne Arundel	43,276	22,375	183,315	1,808	5,228	256,002	31,158	287,160	11,305	4.1%
Baltimore City	265,230	0	574,274	5,452	10,990	855,946	42,333	898,279	46,333	5.4%
Baltimore County	50,486	35,274	284,797	3,857	7,025	381,439	49,003	430,442	24,485	6.0%
Calvert	12,414	1,042	49,313	301	636	63,706	6,480	70,186	6,330	9.9%
Caroline	7,280	964	25,133	218	919	34,513	2,214	36,727	3,097	9.2%
Carroll	13,564	5,319	86,235	743	2,034	107,896	10,655	118,551	7,500	6.8%
Cecil	7,799	3,472	56,160	518	1,369	69,317	6,356	75,673	4,793	6.8%
Charles	12,376	5,792	78,319	631	1,636	98,754	9,499	108,254	6,752	6.7%
Dorchester	7,500	984	18,315	207	723	27,729	2,164	29,893	625	2.1%
Frederick	18,240	6,115	110,676	854	2,497	138,382	15,292	153,674	11,788	8.3%
Garrett	8,982	2,702	19,036	170	766	31,656	2,210	33,866	1,490	4.6%
Harford	17,259	8,020	122,617	1,143	2,853	151,892	15,570	167,462	9,056	5.7%
Howard	18,084	9,433	104,593	613	2,009	134,731	22,083	156,814	8,122	5.5%
Kent	2,940	495	8,225	83	628	12,371	1,282	13,653	515	3.9%
Montgomery	58,391	31,570	229,056	2,132	5,040	326,189	75,455	401,644	24,937	6.6%
Prince George's	76,434	19,437	522,583	5,229	8,146	631,830	51,509	683,339	67,937	11.0%
Queen Anne's	5,450	1,191	19,206	132	701	26,679	2,902	29,582	954	3.3%
St. Mary's	7,491	1,591	50,441	486	1,337	61,346	5,921	67,267	3,870	6.1%
Somerset	7,690	527	13,911	223	699	23,050	1,365	24,415	1,926	8.6%
Talbot	4,597	1,145	5,702	82	587	12,113	2,007	14,120	577	4.3%
Washington	14,355	5,350	65,828	830	2,299	88,662	8,350	97,012	5,795	6.4%
Wicomico	12,267	3,165	52,556	607	1,561	70,156	6,158	76,314	6,682	9.6%
Worcester	7,014	1,518	9,275	116	711	18,634	3,250	21,884	1,647	8.1%
Unallocated	12,477	3,490	22,553	12,558	0	51,078	0	51,078	5,658	12.5%
<b>Total</b>	<b>\$706,940</b>	<b>\$175,785</b>	<b>\$2,758,398</b>	<b>\$39,620</b>	<b>\$61,936</b>	<b>\$3,742,678</b>	<b>\$377,674</b>	<b>\$4,120,352</b>	<b>\$267,544</b>	<b>6.9%</b>

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

**Exhibit A3.3 (cont'd)**  
**State Assistance to Local Governments**  
**Dollar Difference Between Fiscal 2003 Legislative Appropriation and Fiscal 2002 Working Appropriation**  
**(\$ in Thousands)**

<b>County</b>	<i>Direct State Aid</i>						<b>Retirement</b>	<b>Total</b>
	<b>General Government</b>	<b>Community Colleges</b>	<b>Education</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	\$2,245	\$510	\$2,047	\$59	\$169	\$5,030	\$341	\$5,371
Anne Arundel	-1,965	1,109	9,501	-11	334	8,968	2,337	11,305
Baltimore City	14,269	0	28,087	278	617	43,250	3,083	46,333
Baltimore County	-2,102	2,252	20,114	349	215	20,829	3,656	24,485
Calvert	-47	78	5,670	7	119	5,826	504	6,330
Caroline	147	59	2,585	-2	142	2,931	165	3,097
Carroll	-406	554	6,380	-61	245	6,712	788	7,500
Cecil	-98	154	4,075	15	172	4,318	475	4,793
Charles	-247	435	5,674	-15	196	6,043	709	6,752
Dorchester	-45	60	358	10	79	462	163	625
Frederick	52	106	10,128	24	343	10,653	1,136	11,788
Garrett	32	393	704	4	190	1,323	166	1,490
Harford	-549	148	8,146	-35	193	7,903	1,153	9,056
Howard	-1,284	706	6,897	-19	163	6,462	1,659	8,122
Kent	-5	30	252	-2	144	420	96	515
Montgomery	-3,099	1,877	20,439	66	395	19,678	5,260	24,937
Prince George's	5,403	342	57,774	313	228	64,059	3,877	67,937
Queen Anne's	-11	73	608	-15	83	737	217	954
St. Mary's	-103	119	3,391	-43	67	3,432	438	3,870
Somerset	555	49	1,171	8	43	1,825	101	1,926
Talbot	-68	70	292	1	133	427	150	577
Washington	1,171	273	3,400	44	282	5,170	625	5,795
Wicomico	2,071	291	3,565	72	224	6,223	459	6,682
Worcester	-77	140	1,115	8	219	1,405	242	1,647
Unallocated	2,370	171	1,571	1,546	0	5,658	0	5,658
<b>Total</b>	<b>\$18,207</b>	<b>\$9,999</b>	<b>\$203,942</b>	<b>\$2,603</b>	<b>\$4,993</b>	<b>\$239,745</b>	<b>\$27,799</b>	<b>\$267,544</b>

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.



**Exhibit A3.3 (cont'd)**  
**State Assistance to Local Governments**  
**Percent Change: Fiscal 2003 Legislative Appropriation over Fiscal 2002 Working Appropriation**

<b>County</b>	<i>Direct State Aid</i>						<b>Retirement</b>	<b>Total</b>
	<b>General Government</b>	<b>Community Colleges</b>	<b>Education</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	17.1%	11.8%	4.6%	10.4%	12.3%	7.9%	8.3%	7.9%
Anne Arundel	-4.3%	5.2%	5.5%	-0.6%	6.8%	3.6%	8.1%	4.1%
Baltimore City	5.7%	n/a	5.1%	5.4%	5.9%	5.3%	7.9%	5.4%
Baltimore County	-4.0%	6.8%	7.6%	10.0%	3.2%	5.8%	8.1%	6.0%
Calvert	-0.4%	8.1%	13.0%	2.2%	22.9%	10.1%	8.4%	9.9%
Caroline	2.1%	6.5%	11.5%	-0.8%	18.3%	9.3%	8.1%	9.2%
Carroll	-2.9%	11.6%	8.0%	-7.6%	13.7%	6.6%	8.0%	6.8%
Cecil	-1.2%	4.6%	7.8%	3.0%	14.3%	6.6%	8.1%	6.8%
Charles	-2.0%	8.1%	7.8%	-2.4%	13.6%	6.5%	8.1%	6.7%
Dorchester	-0.6%	6.5%	2.0%	5.0%	12.3%	1.7%	8.2%	2.1%
Frederick	0.3%	1.8%	10.1%	2.9%	15.9%	8.3%	8.0%	8.3%
Garrett	0.4%	17.0%	3.8%	2.3%	33.0%	4.4%	8.1%	4.6%
Harford	-3.1%	1.9%	7.1%	-2.9%	7.2%	5.5%	8.0%	5.7%
Howard	-6.6%	8.1%	7.1%	-3.0%	8.8%	5.0%	8.1%	5.5%
Kent	-0.2%	6.5%	3.2%	-1.9%	29.8%	3.5%	8.1%	3.9%
Montgomery	-5.0%	6.3%	9.8%	3.2%	8.5%	6.4%	7.5%	6.6%
Prince George's	7.6%	1.8%	12.4%	6.4%	2.9%	11.3%	8.1%	11.0%
Queen Anne's	-0.2%	6.5%	3.3%	-9.9%	13.4%	2.8%	8.1%	3.3%
St. Mary's	-1.4%	8.1%	7.2%	-8.1%	5.3%	5.9%	8.0%	6.1%
Somerset	7.8%	10.1%	9.2%	3.8%	6.5%	8.6%	8.0%	8.6%
Talbot	-1.5%	6.5%	5.4%	1.2%	29.2%	3.7%	8.1%	4.3%
Washington	8.9%	5.4%	5.4%	5.6%	14.0%	6.2%	8.1%	6.4%
Wicomico	20.3%	10.1%	7.3%	13.6%	16.7%	9.7%	8.1%	9.6%
Worcester	-1.1%	10.1%	13.7%	7.8%	44.7%	8.2%	8.0%	8.1%
Unallocated	23.4%	5.2%	7.5%	14.0%	n/a	12.5%	n/a	12.5%
<b>Total</b>	<b>2.6%</b>	<b>6.0%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>8.8%</b>	<b>6.8%</b>	<b>7.9%</b>	<b>6.9%</b>

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

**Exhibit A3.4**  
**Total State Assistance to Local Governments**  
**Direct State Aid**

<b><u>Program</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>Difference</u></b>
Current Expense Aid	\$1,681,230,578	\$1,764,230,813	\$83,000,235
Compensatory Education	117,123,662	141,945,669	24,822,007
School Transportation - regular	127,766,954	133,156,684	5,389,730
School Transportation - special education	5,556,500	5,740,500	184,000
Special Education - formula	81,253,345	81,253,345	0
Special Education - nonpublic placements	95,358,691	100,691,229	5,332,538
Special Education - infants and toddlers	433,250	5,199,999	4,766,749
Limited English Proficiency Grants	30,057,750	34,156,350	4,098,600
Additional Poverty Grants	18,163,360	18,163,360	0
Targeted Poverty Grants	8,000,000	8,000,000	0
Magnet Schools	16,100,000	16,100,000	0
Extended Elementary	19,262,500	19,262,500	0
Baltimore City Partnership	70,465,079	70,465,079	0
Aging Schools	10,370,000	10,370,000	0
Targeted Improvement Grants	21,991,425	23,275,284	1,283,859
Teacher Development/Mentoring Programs	35,508,000	34,895,000	-613,000
Adult Education	1,453,602	2,553,622	1,100,020
Food Service	6,264,664	6,264,664	0
Gifted and Talented Grants	6,169,829	6,169,829	0
Class Size Initiative	17,320,383	24,613,411	7,293,028
Out-of-County Placements	6,063,044	6,463,043	399,999
Teacher's Salary Grant	85,221,180	72,273,294	-12,947,886
Early Education Initiatives	19,000,000	19,000,000	0
Headstart	0	2,949,664	2,949,664
Bridge to Excellence (SB 856)	0	64,656,835	64,656,835
Prince George's Restructuring Grant	0	10,000,000	10,000,000
Education Modernization	13,406,002	13,486,002	80,000
School Reconstitution	9,797,400	11,835,600	2,038,200
Academic Intervention	19,100,000	19,100,000	0
Other Programs	32,018,081	32,125,881	107,800
<b>Total Primary and Secondary Education</b>	<b>\$2,554,455,279</b>	<b>\$2,758,397,657</b>	<b>\$203,942,378</b>
Library Formula	26,005,123	27,062,145	1,057,022
Library Network	11,011,769	12,557,844	1,546,075
<b>Total Libraries</b>	<b>\$37,016,892</b>	<b>\$39,619,989</b>	<b>\$2,603,097</b>

**Exhibit A3.4 (cont'd)**  
**Total State Assistance to Local Governments**  
**Direct State Aid**

<b><u>Program</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>Difference</u></b>
Community College Formula	151,099,514	158,816,372	7,716,858
Grants for ESOL Programs	1,979,918	2,378,410	398,492
Optional Retirement	7,145,000	8,000,001	855,001
Small College/Allegany & Garrett Grant	2,242,981	3,100,000	857,019
Statewide Programs	3,318,542	3,489,885	171,343
<b>Total Community Colleges</b>	<b>\$165,785,955</b>	<b>\$175,784,668</b>	<b>\$9,998,713</b>
Highway User Revenue	418,040,511	432,103,926	14,063,415
Elderly & Handicapped Transportation Aid	4,315,789	4,815,788	499,999
Paratransit	2,882,054	3,632,051	749,997
<b>Total Transportation</b>	<b>\$425,238,354</b>	<b>\$440,551,765</b>	<b>\$15,313,411</b>
Police Aid	60,354,152	62,144,781	1,790,629
Fire And Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,900,000	2,600,000	-300,000
9-1-1 Grants	4,253,349	4,253,349	0
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Law Enforcement Training Grants	94,255	95,000	745
Stop Gun Violence Grants	1,000,000	1,000,000	0
Violent Crime Grants	5,000,000	5,000,000	0
Baltimore City State's Attorney Grant	1,722,354	1,000,000	-722,354
Baltimore City Circuit Court Grant	400,000	0	-400,000
Domestic Violence Grants	200,000	200,000	0
Foreign Vehicle Registration Grant	360,000	360,000	0
School Vehicle Safety Grant	0	550,000	550,000
Body Armor	50,000	50,000	0
<b>Total Public Safety</b>	<b>\$92,796,610</b>	<b>\$93,715,630</b>	<b>\$919,020</b>
Program Open Space	43,978,135	18,261,173	-25,716,962
Critical Area Grants	750,000	750,000	0
<b>Total Recreation/Environment</b>	<b>\$44,728,135</b>	<b>\$19,011,173</b>	<b>-\$25,716,962</b>
<b>Local Health Formula</b>	<b>56,942,362</b>	<b>61,935,705</b>	<b>4,993,343</b>
<b>Utility Property Tax Grant</b>	<b>30,615,201</b>	<b>30,615,201</b>	<b>0</b>

Exhibit A3.4 (cont'd)  
**Total State Assistance to Local Governments**  
**Direct State Aid**

<b><u>Program</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>Difference</u></b>
<b>Disparity Grant</b>	<b>89,289,557</b>	<b>115,179,884</b>	<b>25,890,327</b>
Horse Racing Impact Aid	1,341,400	1,341,400	0
Payments in Lieu of Taxes	825,989	905,989	80,000
Security Interest Filing Fees	2,797,685	2,750,000	-47,685
Baltimore City Lead Paint Abatement Grant	500,000	250,000	-250,000
Senior Citizens Activities Center	500,000	500,000	0
Warfield Complex Historic Site	100,000	0	-100,000
Statewide Voting Systems	0	2,119,000	2,119,000
<b>Total Other Direct Aid</b>	<b>\$6,065,074</b>	<b>\$7,866,389</b>	<b>\$1,801,315</b>

<b>Total Direct Aid</b>	<b>\$3,502,933,419</b>	<b>\$3,742,678,061</b>	<b>\$239,744,642</b>
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**Payments-in-Behalf**

Retirement - Teachers	328,221,731	354,543,785	26,322,054
Retirement - Libraries	7,786,219	7,792,763	6,544
Retirement - Community Colleges	12,716,486	13,981,834	1,265,348
Retirement - Local Employees	1,150,210	1,355,503	205,293
<b>Total Payments-in-Behalf</b>	<b>\$349,874,646</b>	<b>\$377,673,885</b>	<b>\$27,799,239</b>

<b>Total State Assistance</b>	<b>\$3,852,808,065</b>	<b>\$4,120,351,946</b>	<b>\$267,543,881</b>
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**Aging Schools Program:** The General Assembly approved legislation *House Bill 937 (passed)* that establishes a new funding allocation method for the Aging Schools Program based on each county's proportionate share of school facilities constructed before 1960. The new allocation method primarily benefits Baltimore City and Prince George's County with 17 local school systems realizing a reduction in funding. Three local school systems (Charles, Dorchester, and Somerset counties) would not receive any funding under the new allocation method. The existing allocation method provided a \$65,000 minimum funding level for each local school system.

**Targeted Poverty Funding:** The State currently provides \$49.4 million for several targeted poverty programs that are based on the free and reduced price meal count. This includes \$23.3 million in targeted improvement grants, \$18.1 million in additional poverty grants, and \$8.0 million in targeted poverty grants.

**Baltimore City Partnership Grant:** This program is part of the State's effort to reform the Baltimore City Public School System. Baltimore City will receive \$70.5 million under the Baltimore City Partnership Grant in fiscal 2003.

**Student Transportation Grants:** Each county receives a grant for student transportation based on the county's grant in the previous year increased by inflation. Increases can not exceed 8.0 percent or be less than 3.0 percent. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal 2003 budget includes \$138.9 million for the program, reflecting a 3.0 percent transportation inflation rate and slight growth in student enrollment. The State also provides a grant for transporting disabled students. Each school board receives \$500 per special education student in excess of the number transported in fiscal 1981. The fiscal 2003 grant level of \$5.7 million is based on 11,481 students. Total funding for student transportation, including special transportation, increases by \$5.6 million in fiscal 2003.

**Special Education:** State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. State funding for public special education programs will total \$81.3 million in fiscal 2003 and State funding for nonpublic placements will total \$100.2 million. Funding for public special education programs does not increase in fiscal 2003, while funding for nonpublic placements increases by \$5.3 million. In addition, the Bridge to Excellence in Public Schools Act, *Senate Bill 856 (passed)*, provides \$4.8 million in additional funding for the Infants and Toddlers Program.

**Teachers' Retirement Costs:** The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated by the State. The \$26.3 million increase in fiscal 2003 results from a 8.0 percent increase in the salary base and a constant employer contribution rate

(9.35 percent). The Budget Reconciliation and Financing Act, *Senate Bill 323 (passed)*, changes the methodology for determining the State's contribution for teachers' retirement. Without this change, the employer contribution rate would have been 9.87 percent and the payments would have increased by \$46.0 million or 14.0 percent.

***Teacher Salary Grants/Academic Intervention:*** The General Assembly approved legislation at the 2000 session (Senate Bill 810/House Bill 1247) that establishes teacher salary grants and funding for academic intervention services. The teacher salary challenge program requires the State to provide a one percent salary match to local school systems granting a 4.0 percent cost-of-living increase to teachers in fiscal 2001 and 2002. Chapter 420 of 2001 extended funding for the teacher salary grants through fiscal 2003, except for the \$10.6 million provided under the targeted component which was provided for fiscal 2002 only. The fiscal 2003 State budget includes \$72.2 million for teacher salary challenge program and \$19.1 million for academic intervention.

***Early Education Initiatives/Judith P. Hoyer Program:*** This program provides financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support voluntary accreditation of early child care centers, professional development of early childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2003 State budget includes \$7.6 million for Judy Center grants and approximately \$3.0 million for school readiness and program accreditation. In addition, the fiscal 2003 State budget continues \$19.0 million in funding for early education programs that improve the academic achievement of students in prekindergarten through third grade. The funding is distributed on the basis of the State's special education formula. The Extended Elementary Education Program, a public school prekindergarten program for four-year-old children identified as having a high potential for failure in school, will continue to receive \$19.3 million in funding.

***Teacher Quality Incentives:*** The General Assembly passed legislation at the 1999 session (House Bill 9) that provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers working in a reconstitution-eligible or challenge school. The fiscal 2003 State budget includes \$7.2 million in funding for these teacher quality incentives.

***Class Size Reduction Grants:*** Local school systems will receive \$24.6 million in funding in fiscal 2003 to reduce class size for reading instruction in the first and second grades. This represents a \$7.3 million increase over fiscal 2002. The funding is based on legislation passed by the General Assembly at the 1999 session (Senate Bill 137/House Bill 187).

**Teacher Development/Mentoring/Certification Grants:** Funding for teacher development, mentoring, and certification grants will total \$26.7 million in fiscal 2003. Teacher development grants are provided to enhance teacher development programs in schools with a free or reduced price meal count of 25.0 percent or more of their student population. Each eligible school receives an \$8,000 grant to enhance teacher training in instructing at-risk students. In fiscal 2003 these grants will total \$5.8 million, representing a \$8,000 increase over fiscal 2002. In addition, the State budget includes \$5.0 million for teacher certification programs, of which \$2.5 million is for Prince George's County and \$2.0 million is for Baltimore City. The State budget also includes \$5.0 million for teacher mentoring program in accordance with legislation passed in the 1999 session (House Bill 9). In addition, \$10.9 million for mentoring programs is provided to three local school systems (\$1.0 million for Anne Arundel County, \$7.9 million for Baltimore County, and \$2.0 million for Prince George's County).

**Limited English Proficiency:** The State provides grants to local school systems for programs for students with limited English proficiency. The grant amount totals \$1,350 per limited English proficient student. Funding for this program totals \$34.2 million in fiscal 2003, representing a \$4.1 million increase over fiscal 2002. This increase is due to a 3,036 student increase in the limited English proficiency count. Approximately 23,891 students are categorized as limited English proficient.

**Education Modernization Initiative:** This program provides schools access to on-line computer resources and capacity for data, voice, and video equipment. Total funding for this program is \$13.5 million. The Maryland Technology Academy will continue to receive \$1.9 million in funding in fiscal 2003.

**Additional Enhancements for Fiscal 2003:** The General Assembly enhanced funding for public schools by approving [\*Senate Bill 856\*](#) (*passed*) that bases State funding on the framework established by the Commission on Education Finance, Equity, and Excellence. Special funds obtained through the increased tobacco tax in fiscal 2003 will be used to provide: (1) unrestricted grants to local boards of education totaling \$62.7 million; (2) a \$10.0 million board of education restructuring grant for Prince George's County; (3) \$4.8 million for the Maryland Infants and Toddlers Program; and (4) \$1.1 million for adult education and literacy services. Pursuant to the legislation, 27 existing State education aid programs are eliminated or phased-out in fiscal 2004, and the funding for the programs is replaced by enhanced funding for four programs, one based on total student enrollment and three based on the enrollments of three categories of students with special needs. The enhanced State education aid is phased-in from fiscal 2003 to 2008. By fiscal 2008, State education aid would increase by \$1.3 billion.

## Libraries

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. For fiscal 2003, the program is based on a \$12 per capita grant. Overall, the State provides about 40.0 percent of the minimum

program and the counties provide 60.0 percent. However, the State/local share of the minimum program varies from county to county depending on local wealth. In fiscal 2003, State library formula aid will total \$27.1 million, an increase of \$1.1 million. In addition, the State pays the employer's share of retirement costs for eligible library employees. These payments will total \$7.8 million in fiscal 2003, a slight increase over fiscal 2002.

The General Assembly approved legislation at the 1999 session that established a funding formula for the State Library Resource Center requiring the State to contribute a larger share of the center's funding. In 2000, legislation was enacted that altered the calculation of the State funding formula for regional resource centers. State funding for the resource centers total \$12.6 million in fiscal 2003, an increase of \$1.5 million.

### **Community Colleges**

Total State funding for community colleges increases by \$11.3 million for fiscal 2003. Local community colleges will receive \$158.8 million through the State's funding formula. The Budget Reconciliation and Financing Act of 2002 *Senate Bill 323 (passed)* lowers the percentages used in calculating the aid per full-time equivalent students at the 15 community colleges included in the Senator John A. Cade funding formula. The percentage is set at 23.1 percent of the per pupil funding in fiscal 2003 level for the State's four-year colleges and fiscal 2004, and 24.0 percent in fiscal 2005. The funding formula returns to the previous statutory level (25.0 percent) in fiscal 2006. Local community colleges will receive \$17.0 million in special categorical grants, including the small college grant, English for Speakers of Other Languages (ESOL) grant, statewide programs, optional retirement grant, and the innovative partnership for technology grant. *Senate Bill 310/House Bill 179 (both passed)* provides an additional \$360,000 in unrestricted grants to Allegany College and \$240,000 to Garrett Community College beginning in fiscal 2003. State paid retirement expenditures increase by \$1.3 million in fiscal 2003.

### **Local Health Programs**

State aid for local health departments totals \$61.9 million in fiscal 2003, reflecting a \$5.0 million or 8.8 percent increase. This increase includes funds to annualize the current year's cost-of-living adjustment for eligible employees of local health departments and the statutorily required increase based on population and inflation.

### **General Government Assistance**

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government assistance will increase by \$18.4 million in fiscal 2003, a 2.7 percent increase.



**Police Aid Grants:** Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. Police aid grants in fiscal 2003 total \$62.1 million, a \$1.8 million or 3.0 percent increase over fiscal 2002.

**Public Safety Grants:** *Senate Bill 323 (passed)* authorizes \$1.0 million for the Baltimore City State's Attorney's Office to improve the prosecution of gun offenses and repeat violent offenders and to expand the homicide division. In fiscal 2002, the grant totaled \$1.7 million. In addition, the fiscal 2003 State budget continues to fund the special public safety grants for Baltimore City and Prince George's County.

**Vehicle Theft Prevention Program:** This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for the purpose of establishing vehicle theft prevention, deterrence, and educational programs. Funds are also used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. Accordingly, funding for this program will total \$2.6 million in fiscal 2003.

**Fire, Rescue, and Ambulance Services:** The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovations, not operating costs. The program is funded from the Maryland Emergency Medical System Operations Fund (MEMSOF). The grant level for the program is set at \$10.0 million in fiscal 2003.

**Program Open Space Grants:** Under the Program Open Space program, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. The Budget Reconciliation and Financing Act of 2002, *Senate Bill 323 (passed)* earmarks 50.0 percent of the transfer tax revenues in fiscal 2003 and 2004 to the general fund which results in a reduction to local Program Open Space grants. In fiscal 2003, Program Open Space funding totals \$18.3 million, which includes a \$1.0 million special grant for Baltimore City.

**Transportation:** The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments for the purpose of constructing and maintaining transportation facilities across the State. Counties, municipalities, and Baltimore City receive 30.0 percent of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants in fiscal 2003 (\$14.1 million) based on estimated tax revenues.

**Disparity Grant:** The disparity grant, which provides funding to counties whose per capita local income tax revenues is less than 75 .0 of the statewide average, increases by \$25.9 million in fiscal 2003. *Senate Bill 856 (passed)* requires that \$11.9 million be earmarked for increased funding to public schools in fiscal 2003 only. The nine jurisdictions receiving a disparity grant in fiscal 2003 are Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico counties, and Baltimore City.

**Electric Utility Grant:** Ten counties and Baltimore City receive an electricity generating equipment property tax grant which partially offsets lost local revenues resulting from the electric and gas utility tax reform passed in the 1999 session. The grants were phased in over two years beginning with fiscal 2001 and will total \$30.6 million in fiscal 2003.

## State Aid

### County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

### Direct Aid/Shared Revenues and Retirement Payments

**Direct Aid/Shared Revenues:** The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 50 different programs. The fiscal 2003 State operating budget includes \$3.7 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2002 and 2003.

**Retirement Payments:** County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. These payments total \$377.7 million in fiscal 2003. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, section 2 of each county.

### Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. Part B of each county shows fiscal 2003 allocation estimates of general fund appropriations for health services, social services, and senior citizen services.

**Health Services:** The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$689.2 million statewide for these programs in fiscal 2003. In addition, \$82.8 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2003. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- **Alcohol and Drug Abuse:** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal 2003 budget includes \$75.3 million in general funds and \$17.2 million in special funds for these programs. In addition, the budget includes \$27.0 million in federal funds for addiction treatment services.
- **Family Health and Primary Care Services:** The Family Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, etc.) and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only Medical Assistance. Fiscal 2003 funding for these family health programs totals \$15.1 million in general funds.
- **Geriatric & Children's Services:** The Medical Care Policy Administration provides funding for community-based programs that serve senior citizens and children. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. The children's services include the Early, Periodic Screening Diagnosis and Treatment (EPSDT) program and the Adolescent Case Coordinator program that assures at risk or pregnant teenagers receive needed health services. The fiscal 2003 funding for these programs totals \$18.3 million in general funds.
- **Mental Health:** The Mental Hygiene Administration (MHA) oversees a wide range of community mental health services which are developed and monitored at the local level by Core Service Agencies (CSAs). The Core Service Agencies

have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include in-patient and out-patient hospital services, in-patient and out-patient mental health services, psychiatric rehabilitation services, targeted case management services, rental assistance, pharmacy services, private practitioners, and other clinic services. The fiscal 2003 budget includes \$261.4 million in general funds and \$170.7 million federal funds for mental health services.

- ***Prevention & Disease Control:*** The Community Health Administration and the Family Health Administration are responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). They also provide for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal 2003 total \$15.7 million. In addition, the budget includes \$65.6 million in Cigarette Restitution Funds for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- ***Developmental Disabilities:*** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community supported living arrangements. The fiscal 2003 budget includes \$300.5 million in general funds and \$141.7 in federal funds for these programs.
- ***AIDS:*** The AIDS Administration funds counseling, testing, education and risk reduction services through the local health departments. Fiscal 2003 funds for these services total \$3.0 million in general funds. The budget for the AIDS Administration also includes \$19.3 million in federal funds for these services.

***Social Services.*** The Department of Human Resources provides funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2003 estimates of funding for those programs that were available by subdivision. Note that fiscal 2003 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2002 funding and may change.

- ***Homeless Services:*** The Community Services Administration funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, service-linked housing, and emergency and transitional housing programs. The fiscal 2003 budget includes \$5.1 million in general funds for these programs.

- **Women's Services:** The Community Services Administration provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, displaced homemakers program, and crime victim's services. Total fiscal 2003 funding for these programs equals \$7.3 million in general funds. In addition, the fiscal 2003 budget includes \$7.2 million in federal funds for women's services.
- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2003 budget includes \$8.1 million in general funds and \$31.6 million in federal funds for adult services.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2003 budget includes \$38.4 million in general funds and \$89.1 million in federal funds.

**Senior Citizens Services.** The Department of Aging funds a variety of services for senior citizens mostly through local agencies on aging. In Part B of each county, these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2003 funding is \$17.1 million in general funds and \$18.6 million in federal funds. The fiscal 2003 funding is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2002 funding and may change.

- **Long-Term Care:** This category includes the following programs: frail and vulnerable elderly, senior care, senior guardianship, and the ombudsman program. The total fiscal 2003 funding is \$13.4 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, and the insurance counseling program. Fiscal 2003 funding for these programs totals \$3.6 million in general funds.

### **Capital Grants and Capital Projects for State Facilities**

As part of the budget balancing plan, operating revenues used in prior years to fund capital projects were reverted. Some of those prior year projects were included in the fiscal 2003 capital budget to receive funds to replace the reverted general funds. A total of \$354.0 million (bonds and special funds) will go to projects from prior years.

These projects are not included in this report as they were included in the year in which they were originally approved.

***Selected State Grants for Capital Projects:*** The State provides capital grants for public schools, community colleges, local jails, community health facilities, adult day care centers, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2003 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. For some loan programs (community colleges, water quality projects, adult day care facilities, and community mental health/addictions/developmental disabilities facilities), funding was not provided for all requested projects. Since it is not known which projects will be funded, all requested projects for these loans are shown in this report.

The fiscal 2003 budget includes \$240.0 million in funding for local school construction: \$3.0 million in general funds, \$2.4 million in special funds, \$10.5 million in federal funds, and \$224.1 million in general obligation bonds. Of the total, \$89.0 million will be used to fund projects from prior years that were originally going to be funded with general funds. As of the publication of this report, \$110.4 million of the fiscal 2003 funding has been allocated to specific projects. These projects are listed in Part C for each county.

***Capital Projects for State Facilities Located in the County:*** Part D shows capital projects, authorized by the fiscal 2003 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. For facilities that are located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source although federally funded projects are generally shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. This section does not include transportation projects.

## Allegany County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	28,593	28,403	(189)	(0.7)
Compensatory Education	3,558	3,779	222	6.2
School Transportation	2,862	2,940	79	2.7
Special Education	1,904	2,022	118	6.2
Limited English Proficiency Grants	12	16	4	33.3
Targeted Poverty Grants	1,332	1,296	(36)	(2.7)
Extended Elementary	348	348	0	0.0
Aging Schools	355	207	(148)	(41.8)
Class Size Initiative	144	203	59	40.7
Early Education Initiative	440	566	126	28.6
Teacher Development/Mentoring Grants	318	310	(8)	(2.5)
Teacher Salary Grant	1,796	1,823	28	1.5
Academic Intervention	269	271	2	0.7
Bridge to Excellence (SB 856)	0	2,891	2,891	n.a.
Other Education Aid	2,302	1,202	(1,100)	(47.8)
Primary & Secondary Education	44,232	46,279	2,047	4.6
Libraries	568	627	59	10.4
Community Colleges	4,304	4,814	510	11.8
Health Formula Grant	1,374	1,543	169	12.3
** Transportation	6,250	6,435	185	3.0
** Police and Public Safety	885	901	16	1.8
** Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	474	192	(282)	(59.5)
Disparity Grant	5,264	7,590	2,326	44.2
<b>Total Direct Aid</b>	<b>63,576</b>	<b>68,606</b>	<b>5,030</b>	<b>7.9</b>
Aid Per Capita (\$)	842	905	63	7.5
Property Tax Equivalent (\$)	2.43	2.62	0.20	8.1

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Allegany County for teachers, librarians, community college faculty, and local officials are estimated to be \$4,457,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$3,681,000
Family Health and Primary Care	155,000
Geriatric and Children's Services	582,000
Mental Health	4,910,000
Prevention and Disease Control	738,000
Developmental Disabilities	4,251,000
AIDS	83,000

### **Social Services**

Homeless Services	102,000
Women's Services	170,000
Adult Services	108,000
Child Welfare Services	981,000

### **Senior Citizen Services**

Long-Term Care	330,000
Community Services	92,000



**C. Selected State Grants for Capital Projects****Allegany Community College**

Automotive Technology & Service Bldgs. - replace roofs	\$121,000
Physical Education Building - renovation (Phase I)	85,000

**Senior Citizen Activity Centers**

Frostburg Senior Center	199,000
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**Chesapeake Bay Water Quality Loan**

Celanese - nutrient removal	300,000
Cumberland Combined Sewer - overflow improvements	271,000
Frostburg Combined Sewer - overflow improvements	270,000
George's Creek WWTP - nutrient removal	400,000
Westernport Combined Sewer - overflow improvements	300,000

**Water Supply Assistance Loan**

Westernport - water line	500,000
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**Comprehensive Flood Management Program**

George's Creek - acquisition (Phase III)	125,000
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**Waterway Improvement**

Cumberland Riverside Park - boat ramp & parking access	100,000
Fairgrounds Park - boat ramp & parking access road	25,000

**Other Projects**

Canal Place	1,075,000
Sacred Heart Hospital	545,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Rocky Gap State Park - telecommunications upgrade	300,000
Natl. Park Service - Fifteen Mile Creek boat ramp	50,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000
Rocky Gap State Park - new lighting at boat ramp	25,000

**Department of Public Safety & Corrections**

Western Correctional Inst. - 512-bed expansion	122,000
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**University System of Maryland**

Frostburg State - Compton Science Center construction	\$3,532,000
Frostburg State - new residence hall	2,115,000

## Anne Arundel County

## A. Direct Aid and Retirement Payments

## 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	122,635	126,159	3,523	2.9
Compensatory Education	3,540	5,308	1,768	49.9
School Transportation	12,419	12,899	480	3.9
Special Education	14,831	15,753	921	6.2
Limited English Proficiency Grants	1,013	1,250	238	23.5
Targeted Poverty Grants	2,077	2,086	9	0.4
Extended Elementary	1,295	1,295	0	0.0
Aging Schools	570	660	90	15.7
Class Size Initiative	1,175	1,861	687	58.5
Early Education Initiative	1,307	1,355	48	3.7
Teacher Development/Mentoring Grants	1,629	1,629	0	0.0
Teacher Salary Grant	5,109	4,553	(556)	(10.9)
Academic Intervention	1,530	1,490	(40)	(2.6)
Bridge to Excellence (SB 856)	0	2,369	2,369	n.a.
Other Education Aid	4,684	4,648	(36)	(0.8)
Primary & Secondary Education	173,814	183,315	9,501	5.5
Libraries	1,819	1,808	(11)	(0.6)
Community Colleges	21,267	22,375	1,109	5.2
Health Formula Grant	4,894	5,228	334	6.8
** Transportation	25,193	26,140	947	3.8
** Police and Public Safety	5,793	5,925	132	2.3
** Fire and Rescue Aid	817	817	0	0.0
Recreation and Natural Resources	5,124	2,080	(3,044)	(59.4)
Utility Property Tax Grants	7,820	7,820	0	0.0
** Other Direct Aid	495	495	0	0.0
<b>Total Direct Aid</b>	<b>247,035</b>	<b>256,002</b>	<b>8,968</b>	<b>3.6</b>
Aid Per Capita (\$)	491	502	12	2.4
Property Tax Equivalent (\$)	0.69	0.68	(0.01)	(2.1)

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Anne Arundel County for teachers, librarians, community college faculty, and local officials are estimated to be \$31,158,000.

### **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,708,000
Family Health and Primary Care	384,000
Geriatric and Children's Services	831,000
Mental Health	17,133,000
Prevention and Disease Control	3,347,000
Developmental Disabilities	27,779,000

#### **Social Services**

Homeless Services	186,000
Women's Services	315,000
Adult Services	130,000
Child Welfare Services	2,283,000

#### **Senior Citizen Services**

Long-Term Care	550,000
Community Services	135,000

**C. Selected State Grants for Capital Projects****Public Schools**

Central Elementary School - renovations (electrical)	\$46,000
Crofton Elementary School - construction	230,000
Folger-McKinsey Elem. School - renovations (electrical)	74,000
Four Seasons Elementary School - renovations (HVAC)	1,285,000
George Fox Middle School - renovations (boilers)	75,000
Georgetown East Elementary School - renovations (multi-syst/elec)	1,224,000
Germantown Elementary School - renovations (boilers/elec.)	200,000
Glen Burnie High School - renovations (HVAC)	400,000
Linthicum Elementary School - renovations (HVAC/elec)	1,224,000
Lothian Elementary School - renovations (electrical)	80,000
MacArthur Middle School - renovations (roof)	880,000
Old Mill High School - renovations (HVAC)	760,000
Overlook Elementary School - renovations (boilers)	120,000
Severn Elementary School - renovations (electrical)	66,000
Shipley's Choice Elementary School - renovations (electrical)	46,000

**Anne Arundel Community College**

Center for Applied Learning & Technology	8,480,000
Student Services Center - renovation & addition	525,000

**Community Mental Health/Addictions/Dev. Disabilities**

Supported Housing Developers, Inc.	468,000
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**Partnership Rental Housing Program**

Bloomsbury II	2,550,000
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**Chesapeake Bay Water Quality Loan**

Elvaton Town - stream restoration	86,000
Marley Station Wetlands - stormwater management	92,000
West Street Pond - stormwater management	111,000

**Waterway Improvement**

Annapolis Harbor Master - patrol boat electronics	50,000
Central/Magothy - fire rescue vessel/equipment	50,000
Little Magothy River Inlet - dredging	47,000
North County - fire rescue vessel/equipment	25,000
Rockhold Creek Channel - dredging/jetty	700,000
South County - fire rescue vessel/equipment	25,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Sandy Point State Park - pave boat ramp parking lot	\$50,000
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**Maryland Environmental Service**

Sandy Point State Park - water system improvements	359,000
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**General Government**

Annapolis Government Complex - security	1,400,000
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Legislative Facilities - Annapolis	4,750,000
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## Baltimore City

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	282,359	287,163	4,804	1.7
Compensatory Education	61,322	62,355	1,033	1.7
School Transportation	11,091	11,333	243	2.2
Special Education	54,646	57,064	2,417	4.4
Limited English Proficiency Grants	1,035	1,265	230	22.2
Targeted Poverty Grants	10,879	11,355	476	4.4
Extended Elementary	4,135	4,135	0	0.0
Baltimore City Partnership	70,465	70,465	0	0.0
Aging Schools	1,635	3,316	1,681	102.8
Class Size Initiative	1,888	2,723	835	44.2
Early Education Initiative	4,942	5,949	1,007	20.4
Teacher Development/Mentoring Grants	3,992	3,993	0	0.0
Teacher Salary Grant	18,594	15,128	(3,466)	(18.6)
Academic Intervention	3,634	3,331	(303)	(8.3)
Bridge to Excellence (SB 856)	0	18,685	18,685	n.a.
Other Education Aid	15,570	16,015	445	2.9
Primary & Secondary Education	546,187	574,274	28,087	5.1
Libraries	5,174	5,452	278	5.4
Health Formula Grant	10,373	10,990	617	5.9
Transportation	165,885	172,328	6,443	3.9
Police and Public Safety	9,733	8,622	(1,111)	(11.4)
Fire and Rescue Aid	1,010	1,002	(8)	(0.8)
Recreation and Natural Resources	4,883	2,373	(2,511)	(51.4)
Disparity Grant	64,362	76,036	11,674	18.1
Utility Property Tax Grants	453	453	0	0.0
Other Direct Aid	4,634	4,416	(218)	(4.7)
<b>Total Direct Aid</b>	<b>812,696</b>	<b>855,946</b>	<b>43,250</b>	<b>5.3</b>
Aid Per Capita (\$)	1,271	1,349	78	6.2
Property Tax Equivalent (\$)	4.25	4.37	0.12	2.9

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Baltimore City for teachers, librarians, community college faculty, and local officials are estimated to be \$42,333,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$38,411,000
Family Health and Primary Care	861,000
Geriatric and Children's Services	5,057,000
Mental Health	82,431,000
Prevention and Disease Control	2,526,000
Developmental Disabilities	36,941,000
AIDS	443,000

### **Social Services**

Homeless Services	2,210,000
Women's Services	1,234,000
Adult Services	2,216,000
Child Welfare Services	14,715,000

### **Senior Citizen Services**

Long-Term Care	1,750,000
Community Services	867,000



**C. Selected State Grants for Capital Projects****Public Schools**

Belmont Elementary School #217 - renovations (windows)	\$366,000
Comm. J. Rodgers Elem. School #27 - renovations (chiller)	495,000
Elmer A. Henderson Elem. School #101 - renovs. (auto. temp. control)	225,000
Furley Elementary School #206 - renovations (chiller)	360,000
Lombard Middle School #57 - renovations (automatic temperature control)	495,000
North Bend Elementary School #81- renovations (roof)	416,000
Rognel Hgts. Elem/Middle School #89 - renovations (chiller)	378,000
Sarah M. Roach Elementary School #73 - renovations (roof)	193,000
Sharp-Leadenhall Elementary School #314 - renovations (roof)	248,000
Southern High School #70 - construction	6,000,000
Winston Middle School #239 - renovations (windows)	487,000

**Juvenile Justice Bond Program**

Chesapeake Center for Youth Development	180,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Institutes for Behavior Resources, Inc.	1,600,000
People Encouraging People, Inc.	184,000

**Senior Citizen Activity Centers**

Coel-Grant-Higgs Senior Center	425,000
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**Partnership Rental Housing Program**

Baltimore City Highrise - Offsite	2,153,068
Broadway Homes	296,932
Flag House II	3,000,000

**Chesapeake Bay Water Quality Loan**

Patapsco WWTP - nutrient removal	3,440,000
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**Waterway Improvement**

City Fire Department - boat equipment	36,000
City Police Department - Sea Ark boat	50,000
Inner Harbor Marina - electrical system & pier cables	150,000
Living Classroom Center Dock - ADA access	35,000

**Other Projects**

Baltimore City Revitalization Projects	5,000,000
Baltimore Zoo - redevelopment projects	4,750,000

Bon Secours Hospital	\$970,000
College of Notre Dame - Fourier & LeClerc Hall	850,000
Johns Hopkins School of Hygiene and Public Health	2,066,000
Johns Hopkins School of Medicine - research building	2,934,000
Johns Hopkins University - chemistry building	425,000
Maryland Science Center - expansion	1,000,000
National Aquarium in Baltimore	1,500,000
National Research and Training Institute for the Blind	2,000,000
Sinai Hospital	500,000

#### **D. Capital Projects for State Facilities in the City**

##### **General Government**

200 W. Baltimore Street - fire protection sprinkler system	2,500,000
301 W. Preston Street - perimeter piping replacement	185,000

##### **Dept. of Housing & Community Development**

African American Museum	9,242,000
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##### **Department of Public Safety & Corrections**

Baltimore City Detention Center - renovate utilities	2,000,000
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##### **Morgan State University**

Central Heating Plant - replace steam boilers	4,110,000
Communications Center & Pedestrian Bridge - construction	18,414,000
Science Research Building with Greenhouse - construction	2,600,000

##### **University System of Maryland**

Coppin State - Health and Human Services Building	1,100,000
Coppin State - telecommunications upgrade	2,500,000
UMD at Baltimore - new Campus Center building	2,600,000
UMD at Baltimore - renovate Howard Hall	1,500,000
UMD at Baltimore - temporary building #2	4,400,000
Univ. of Baltimore - new student center	1,000,000

##### **Other**

East Baltimore Technology Park - acquisition	2,000,000
UMD Medical System - diagnostic & treatment facilities	8,000,000

## Baltimore County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	181,405	193,266	11,862	6.5
Compensatory Education	6,695	9,779	3,083	46.0
School Transportation	15,279	15,810	531	3.5
Special Education	16,995	18,244	1,249	7.3
Limited English Proficiency Grants	2,310	2,540	230	9.9
Targeted Poverty Grants	5,020	5,120	101	2.0
Extended Elementary	1,190	1,190	0	0.0
Aging Schools	2,940	2,666	(274)	(9.3)
Class Size Initiative	1,665	2,598	933	56.0
Early Education Initiative	1,671	2,021	350	21.0
Teacher Development/Mentoring Grants	9,581	9,527	(54)	(0.6)
Teacher Salary Grant	8,559	7,185	(1,374)	(16.1)
Academic Intervention	1,992	1,967	(24)	(1.2)
Bridge to Excellence (SB 856)	0	3,088	3,088	n.a.
Other Education Aid	9,382	9,798	416	4.4
Primary & Secondary Education	264,683	284,797	20,114	7.6
Libraries	3,508	3,857	349	10.0
Community Colleges	33,022	35,274	2,252	6.8
Health Formula Grant	6,809	7,025	215	3.2
Transportation	34,507	35,342	836	2.4
Police and Public Safety	9,262	9,749	487	5.3
Fire and Rescue Aid	1,207	1,203	(4)	(0.3)
Recreation and Natural Resources	5,768	2,347	(3,421)	(59.3)
Utility Property Tax Grants	1,795	1,795	0	0.0
Other Direct Aid	50	50	0	0.0
<b>Total Direct Aid</b>	<b>360,610</b>	<b>381,439</b>	<b>20,829</b>	<b>5.8</b>
Aid Per Capita (\$)	466	488	21	4.6
Property Tax Equivalent (\$)	0.81	0.82	0.01	1.7

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Baltimore County for teachers, librarians, community college faculty, and local officials are estimated to be \$49,003,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$5,036,000
Family Health and Primary Care	800,000
Geriatric and Children's Services	1,350,000
Mental Health	30,558,000
Prevention and Disease Control	5,833,000
Developmental Disabilities	42,792,000

### **Social Services**

Homeless Services	236,000
Women's Services	630,000
Adult Services	439,000
Child Welfare Services	2,676,000

### **Senior Citizen Services**

Long-Term Care	1,620,000
Community Services	322,000

**C. Selected State Grants for Capital Projects****Public Schools**

Arbutus Middle School - renovations (roof)	\$383,000
Dulaney High School - renovations (boilers)	225,000
Dundalk Middle School - renovations (multi-systemic)	2,134,000
Franklin Middle School - renovations (multi-systemic)	1,801,000
General John Stricker Middle School - renovations (roof)	753,000
Golden Ring Middle School - renovations (multi-systemic)	1,314,000
Hereford Middle School - renovations (roof)	483,000
Lansdowne High School - renovations (boilers)	225,000
Lansdowne Middle School - renovations (roof)	577,000
Overlea High School - renovations (roof)	535,000
Parkville Middle School - renovations (multi-systemic)	2,449,000
Stemmers Run Middle School - renovations (multi-systemic)	466,000

**Community College of Baltimore County**

Reroofing projects	56,500
Telecommunications infrastructure	90,000

**Local Jail Loan**

County Detention Center - expansion	5,000,000
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**Juvenile Justice Bond Program**

Good Shepherd Center	400,000
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**Adult Day Care Centers**

Baltimore Association for Retarded Citizens	698,000
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**Chesapeake Bay Water Quality Loan**

Hampton Branch - stream restoration	118,471
Revere Park - retrofit and restoration	180,000

**Waterway Improvement**

Bird River Railroad Creek - channel dredging	50,000
Bowleys Quarters - purchase fire/rescue vessel	20,000
Brown Cove - channel dredging	175,000

**Hazardous Substance Cleanup Program**

Sauer Dump	450,000
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**Other Projects**

Franklin Square Hospital Center	\$500,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Gunpowder Dundee Creek Marina - pave boat storage area	45,000
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**University System of Maryland**

Baltimore County - Information Tech/Engineering Building	3,941,000
Towson University - Burkshire Dining/pub expansion	750,000
Towson University - Glen Dining renovation	300,000
Towson University - Prettyman/Scarborough HVAC, etc.	2,500,000
Towson University - tower window/wall upgrade	4,000,000
Towson University - Towson Center Arena improvements	2,200,000
Towson University - Towson Run Dining	3,450,000
Towson University - Union bowling convert to cybercafe	750,000
Towson University - Univ. Union/Rec Sports Facility	3,600,000

## Calvert County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	35,316	39,173	3,856	10.9
Compensatory Education	876	1,459	583	66.6
School Transportation	2,380	2,533	154	6.5
Special Education	1,546	1,655	109	7.1
Limited English Proficiency Grants	28	42	14	47.6
Targeted Poverty Grants	405	409	5	1.1
Extended Elementary	454	454	0	0.0
Aging Schools	65	61	(4)	(6.4)
Class Size Initiative	248	409	161	64.9
Early Education Initiative	354	478	124	35.0
Teacher Development/Mentoring Grants	125	125	0	0.1
Teacher Salary Grant	630	531	(99)	(15.7)
Academic Intervention	321	330	9	2.8
Bridge to Excellence (SB 856)	0	794	794	n.a.
Other Education Aid	895	860	(35)	(3.9)
Primary & Secondary Education	43,643	49,313	5,670	13.0
Libraries	294	301	7	2.2
Community Colleges	964	1,042	78	8.1
Health Formula Grant	518	636	119	22.9
** Transportation	4,954	5,200	246	5.0
** Police and Public Safety	698	708	11	1.5
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	513	209	(303)	(59.2)
Utility Property Tax Grants	6,097	6,097	0	0.0
<b>Total Direct Aid</b>	<b>57,880</b>	<b>63,706</b>	<b>5,826</b>	<b>10.1</b>
Aid Per Capita (\$)	728	779	51	7.0
Property Tax Equivalent (\$)	0.97	1.02	0.05	5.7

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Calvert County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,480,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$593,000
Family Health and Primary Care	38,000
Geriatric and Children's Services	289,000
Mental Health	3,004,000
Prevention and Disease Control	560,000
Developmental Disabilities	4,230,000

### **Social Services**

Homeless Services	33,000
Women's Services	185,000
Adult Services	70,000
Child Welfare Services	345,000

### **Senior Citizen Services**

Long-Term Care	105,000
Community Services	26,000



**C. Selected State Grants for Capital Projects****Public Schools**

Huntingtown High School	\$5,000,000
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**College of Southern Maryland**

La Plata - fuel storage tank replacement	210,000
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La Plata - WWTP replacement	31,000
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Prince Frederick - Academic Complex	350,000
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**Local Jail Loan**

County Detention Center - replace master control panel	175,000
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**Waterway Improvement**

North Beach - redeck town pier	100,000
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Solomon's - replace and repair piers	100,000
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## Caroline County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	15,272	16,120	849	5.6
Compensatory Education	1,065	1,642	577	54.2
School Transportation	1,463	1,520	57	3.9
Special Education	542	572	30	5.5
Limited English Proficiency Grants	121	151	30	24.5
Targeted Poverty Grants	604	618	15	2.4
Extended Elementary	351	351	0	0.0
Aging Schools	85	88	3	3.6
Class Size Initiative	76	127	51	66.4
Early Education Initiative	201	356	155	76.9
Teacher Development/Mentoring Grants	541	541	0	0.0
Teacher Salary Grant	713	622	(91)	(12.8)
Academic Intervention	167	167	0	(0.2)
Bridge to Excellence (SB 856)	0	929	929	n.a.
Other Education Aid	1,346	1,327	(18)	(1.4)
Primary & Secondary Education	22,548	25,133	2,585	11.5
Libraries	220	218	(2)	(0.8)
Community Colleges	905	964	59	6.5
Health Formula Grant	776	919	142	18.3
** Transportation	4,075	4,216	141	3.4
** Police and Public Safety	319	318	(1)	(0.3)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	223	91	(133)	(59.4)
Disparity Grant	2,316	2,456	140	6.0
<b>Total Direct Aid</b>	<b>31,582</b>	<b>34,513</b>	<b>2,931</b>	<b>9.3</b>
Aid Per Capita (\$)	1,039	1,124	85	8.2
Property Tax Equivalent (\$)	2.40	2.53	0.13	5.5

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Caroline County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,214,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$403,000
Family Health and Primary Care	182,000
Geriatric and Children's Services	340,000
Mental Health	1,853,000
Prevention and Disease Control	286,000
Developmental Disabilities	1,689,000
AIDS	57,000

### Social Services

Homeless Services	59,000
Women's Services	337,000
Adult Services	55,000
Child Welfare Services	284,000

### Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

*Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Greensboro Elementary School - renovations (roof)	\$731,000
Judy Hoyer Center - construction	324,000

**Chesapeake College**

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

**Chesapeake Bay Water Quality Loan**

Caroline/Denton - stormwater management	117,000
Federalsburg - nutrient removal	200,000
North Main Street - inflow/infiltration project	100,000

**Waterway Improvement**

Choptank - county-wide DMP site acquisition	50,000
Crouse Park, Denton - bulkhead & traffic control	60,000
Federalsburg Marina - resurface boat ramp parking lot	25,000
Greensboro - boat ramp & bulkhead	100,000
Joppa Wharf, Denton - pier access	40,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Tuckahoe State Park - resurface boat ramp parking lot	75,000
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## Carroll County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	63,603	67,785	4,182	6.6
Compensatory Education	1,217	1,989	773	63.5
School Transportation	4,818	5,077	259	5.4
Special Education	4,215	4,473	258	6.1
Limited English Proficiency Grants	116	142	26	22.1
Targeted Poverty Grants	472	474	2	0.4
Extended Elementary	172	172	0	0.0
Aging Schools	385	278	(107)	(27.8)
Class Size Initiative	416	680	263	63.3
Early Education Initiative	665	713	48	7.2
Teacher Development/Mentoring Grants	197	197	0	0.1
Teacher Salary Grant	2,038	1,876	(162)	(8.0)
Academic Intervention	527	541	13	2.5
Bridge to Excellence (SB 856)	0	937	937	n.a.
Other Education Aid	1,013	902	(111)	(11.0)
Primary & Secondary Education	79,855	86,235	6,380	8.0
Libraries	804	743	(61)	(7.6)
Community Colleges	4,765	5,319	554	11.6
Health Formula Grant	1,789	2,034	245	13.7
** Transportation	10,936	11,328	392	3.6
** Police and Public Safety	1,522	1,507	(15)	(1.0)
** Fire and Rescue Aid	259	260	1	0.5
Recreation and Natural Resources	1,154	470	(685)	(59.3)
** Other Direct Aid	100	0	(100)	(100.0)
<b>Total Direct Aid</b>	<b>101,184</b>	<b>107,896</b>	<b>6,712</b>	<b>6.6</b>
Aid Per Capita (\$)	649	682	33	5.1
Property Tax Equivalent (\$)	1.05	1.07	0.01	1.3

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Carroll County for teachers, librarians, community college faculty, and local officials are estimated to be \$10,655,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$2,670,000
Family Health and Primary Care	235,000
Geriatric and Children's Services	367,000
Mental Health	5,386,000
Prevention and Disease Control	1,080,000
Developmental Disabilities	8,561,000
AIDS	57,000

### **Social Services**

Homeless Services	92,000
Women's Services	234,000
Adult Services	69,000
Child Welfare Services	641,000

### **Senior Citizen Services**

Long-Term Care	298,000
Community Services	48,000

**C. Selected State Grants for Capital Projects****Public Schools**

Cranberry Station Elementary School - construction	\$1,438,000
Westminster Elementary School - renovations (HVAC)	624,000
Winters Mill High School - construction	3,500,000

**Carroll Community College**

Nursing and Allied Health Facility	2,700,000
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**Juvenile Justice Bond Program**

Bowling Brook Preparatory School	590,000
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**Senior Citizen Activity Centers**

North Carroll Senior Center	196,000
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**D. Capital Projects for State Facilities in the County****Maryland Environmental Service**

Springfield Hospital Center - water/wastewater system	2,400,000
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**Department of Health & Mental Hygiene**

Springfield Hospital Center - electrical dist. system	6,720,000
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**Department of Public Safety & Corrections**

Central Laundry Facility - renovate kitchen/dining	215,000
Public Safety Training Center	962,000

## Cecil County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	38,890	41,218	2,328	6.0
Compensatory Education	1,791	2,571	780	43.6
School Transportation	2,759	2,853	94	3.4
Special Education	2,069	2,186	116	5.6
Limited English Proficiency Grants	94	132	38	40.1
Targeted Poverty Grants	719	723	4	0.5
Extended Elementary	810	810	0	0.0
Aging Schools	355	178	(177)	(49.9)
Class Size Initiative	249	385	136	54.4
Early Education Initiative	490	514	24	4.9
Teacher Development/Mentoring Grants	228	221	(8)	(3.4)
Teacher Salary Grant	2,443	2,276	(167)	(6.8)
Academic Intervention	342	362	20	5.9
Bridge to Excellence (SB 856)	0	900	900	n.a.
Other Education Aid	846	833	(13)	(1.5)
Primary & Secondary Education	52,084	56,160	4,076	7.8
Libraries	503	518	15	3.0
Community Colleges	3,318	3,472	154	4.6
Health Formula Grant	1,197	1,369	172	14.3
** Transportation	6,246	6,473	227	3.6
** Police and Public Safety	855	886	31	3.6
** Fire and Rescue Aid	204	200	(4)	(2.1)
Recreation and Natural Resources	592	240	(352)	(59.4)
<b>Total Direct Aid</b>	<b>64,999</b>	<b>69,317</b>	<b>4,318</b>	<b>6.6</b>
Aid Per Capita (\$)	725	758	33	4.5
Property Tax Equivalent (\$)	1.33	1.35	0.03	2.0

\*\* Municipal governments within the county receive a share of these funds.



**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Cecil County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,356,000.

**B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,019,000
Family Health and Primary Care	47,000
Geriatric and Children's Services	352,000
Mental Health	4,653,000
Prevention and Disease Control	706,000
Developmental Disabilities	4,876,000
AIDS	57,000

**Social Services**

Homeless Services	41,000
Women's Services	80,000
Adult Services	77,000
Child Welfare Services	874,000

**Senior Citizen Services**

Long-Term Care	125,000
Community Services	44,000

**C. Selected State Grants for Capital Projects****Community Mental Health/Addictions/Dev. Disabilities**

Upper Bay Counseling and Support Services, Inc.	\$120,000
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**Chesapeake Bay Water Quality Loan**

Elkton WWTP - nutrient removal	1,000,000
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Rising Sun - sewer main replacement	100,000
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**Comprehensive Flood Management Program**

Elkton - flood protection construction	89,000
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**Waterway Improvement**

Charlestown - boat ramp wave screen	50,000
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Chesapeake City - boat ramp & parking area	80,000
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Elk River - channel dredging	260,000
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Perryville - transient pier	25,000
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Port Deposit - design jetty/pier	80,000
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**Other Projects**

Union Hospital	445,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Fair Hill NRMA - construct hay barns	150,000
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Fair Hill NRMA - water supply system	150,000
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**Maryland State Police**

North East Barrack - construction	300,000
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## Charles County

## A. Direct Aid and Retirement Payments

## 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	54,969	58,069	3,100	5.6
Compensatory Education	1,903	2,924	1,021	53.6
School Transportation	5,216	5,455	239	4.6
Special Education	3,364	3,493	129	3.8
Limited English Proficiency Grants	158	136	(22)	(13.7)
Targeted Poverty Grants	1,020	1,048	28	2.8
Extended Elementary	1,070	1,070	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	362	575	213	58.8
Early Education Initiative	521	487	(35)	(6.6)
Teacher Development/Mentoring Grants	300	293	(8)	(2.5)
Teacher Salary Grant	1,893	1,728	(165)	(8.7)
Academic Intervention	486	483	(3)	(0.6)
Bridge to Excellence (SB 856)	0	1,279	1,279	n.a.
Other Education Aid	1,317	1,279	(39)	(2.9)
Primary & Secondary Education	72,645	78,319	5,674	7.8
Libraries	647	631	(16)	(2.4)
Community Colleges	5,357	5,792	435	8.1
Health Formula Grant	1,440	1,636	196	13.6
** Transportation	7,706	8,079	373	4.8
** Police and Public Safety	1,126	1,125	(1)	(0.1)
** Fire and Rescue Aid	224	225	1	0.4
Recreation and Natural Resources	1,044	424	(620)	(59.4)
Utility Property Tax Grants	2,523	2,523	0	0.0
<b>Total Direct Aid</b>	<b>92,712</b>	<b>98,755</b>	<b>6,043</b>	<b>6.5</b>
Aid Per Capita (\$)	742	778	36	4.8
Property Tax Equivalent (\$)	1.13	1.14	0.01	0.8

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Charles County for teachers, librarians, community college faculty, and local officials are estimated to be \$9,499,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$1,394,000
Family Health and Primary Care	627,000
Geriatric and Children's Services	335,000
Mental Health	4,394,000
Prevention and Disease Control	855,000
Developmental Disabilities	6,839,000
AIDS	142,000

### **Social Services**

Homeless Services	81,000
Women's Services	143,000
Adult Services	117,000
Child Welfare Services	1,000,000

### **Senior Citizen Services**

Long-Term Care	183,000
Community Services	42,000

**C. Selected State Grants for Capital Projects****Public Schools**

Matthew Henson Middle School - relocatable classrooms	\$65,000
Milton Somers Middle School - relocatable classrooms	33,000
New Comprehensive High School - construction	5,500,000

**College of Southern Maryland**

La Plata - fuel storage tank replacement	210,000
La Plata - WWTP replacement	31,000
Prince Frederick - Academic Complex	350,000

**Community Mental Health/Addictions/Dev. Disabilities**

Melwood Horticultural Training Center, Inc.	237,000
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**Chesapeake Bay Water Quality Loan**

Clifton - sewer	250,000
Jude House - pumping station/sewer main	200,000
Mattawoman WWTP - nutrient removal	1,267,000

**Waterway Improvement**

Cuckhold Creek and Piney Branch - dredging	35,000
Indian Head/Mattingly Park - boat launch facility	100,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Smallwood State Park - replace floating pier	750,000
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## Dorchester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	11,713	11,931	219	1.9
Compensatory Education	1,096	1,355	259	23.7
School Transportation	1,438	1,483	45	3.1
Special Education	450	486	36	7.9
Limited English Proficiency Grants	60	78	19	31.8
Targeted Poverty Grants	558	549	(8)	(1.5)
Extended Elementary	412	412	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	68	95	27	39.5
Early Education Initiative	125	159	35	27.7
Teacher Development/Mentoring Grants	188	196	8	4.3
Teacher Salary Grant	789	173	(616)	(78.1)
Academic Intervention	181	184	3	1.4
Bridge to Excellence (SB 856)	0	409	409	n.a.
Other Education Aid	816	806	(11)	(1.3)
Primary & Secondary Education	17,957	18,315	358	2.0
Libraries	197	207	10	5.0
Community Colleges	924	984	60	6.5
Health Formula Grant	644	723	79	12.3
** Transportation	4,640	4,779	139	3.0
** Police and Public Safety	361	365	4	1.0
** Fire and Rescue Aid	236	236	0	0.0
Recreation and Natural Resources	192	78	(114)	(59.4)
Disparity Grant	1,928	1,855	(74)	(3.8)
Utility Property Tax Grants	187	187	0	0.0
<b>Total Direct Aid</b>	<b>27,267</b>	<b>27,729</b>	<b>462</b>	<b>1.7</b>
Aid Per Capita (\$)	877	886	9	1.0
Property Tax Equivalent (\$)	1.75	1.69	(0.06)	(3.5)

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Dorchester County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,164,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$955,000
Family Health and Primary Care	54,000
Geriatric and Children's Services	352,000
Mental Health	1,853,000
Prevention and Disease Control	370,000
Developmental Disabilities	1,740,000
AIDS	198,000

### Social Services

Homeless Services	40,000
Women's Services	337,000
Adult Services	85,000
Child Welfare Services	409,000

### Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

*Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Maces Lane Middle School - construction	\$3,268,000
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**Chesapeake College**

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

**Chesapeake Bay Water Quality Loan**

Cambridge Combined Sewer - overflow improvements	500,000
Hurlock - nutrient removal	200,000

**Waterway Improvement**

Cambridge City Yacht Basin - marina upgrade	500,000
Cambridge Fire Department - rescue boat equipment	15,000
Cambridge Franklin St. - complete boat ramp	60,000
Cambridge Sailwinds Park - boat access pier	40,000
Elliotts Island Jetty - rip-rap protection	75,000
Golden Hill - boat ramp overlay	32,000
Shorters Wharf - complete boat ramp	75,000
Taylors Island Dock - replace bulkhead overlay	100,000
Vienna - waterfront park pier	100,000

**Other Projects**

Dorchester General Hospital	500,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Cambridge Marine Terminal - railway repairs	50,000
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**University System of Maryland**

Center for Environ. Science - Aquaculture Ecology Lab	3,463,000
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## Frederick County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	81,931	88,198	6,267	7.6
Compensatory Education	2,016	2,865	849	42.1
School Transportation	5,044	5,384	340	6.7
Special Education	2,927	3,193	266	9.1
Limited English Proficiency Grants	409	672	263	64.4
Targeted Poverty Grants	974	989	15	1.5
Extended Elementary	812	812	0	0.0
Aging Schools	85	106	21	24.5
Class Size Initiative	575	929	355	61.8
Early Education Initiative	755	820	65	8.6
Teacher Development/Mentoring Grants	355	363	9	2.4
Teacher Salary Grant	2,600	2,466	(134)	(5.2)
Academic Intervention	689	686	(3)	(0.4)
Bridge to Excellence (SB 856)	0	1,913	1,913	n.a.
Other Education Aid	1,375	1,279	(97)	(7.0)
Primary & Secondary Education	100,548	110,676	10,128	10.1
Libraries	831	854	24	2.9
Community Colleges	6,009	6,115	106	1.8
Health Formula Grant	2,155	2,497	343	15.9
** Transportation	14,617	15,334	718	4.9
** Police and Public Safety	2,007	2,057	50	2.5
** Fire and Rescue Aid	349	354	5	1.5
Recreation and Natural Resources	1,215	495	(721)	(59.3)
<b>Total Direct Aid</b>	<b>127,729</b>	<b>138,382</b>	<b>10,653</b>	<b>8.3</b>
Aid Per Capita (\$)	624	662	38	6.1
Property Tax Equivalent (\$)	0.97	1.01	0.04	3.8

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Frederick County for teachers, librarians, community college faculty, and local officials are estimated to be \$15,292,000.

### **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,813,000
Family Health and Primary Care	301,000
Geriatric and Children's Services	347,000
Mental Health	8,029,000
Prevention and Disease Control	1,319,000
Developmental Disabilities	11,078,000
AIDS	43,000

#### **Social Services**

Homeless Services	216,000
Women's Services	71,000
Adult Services	126,000
Child Welfare Services	889,000

#### **Senior Citizen Services**

Long-Term Care	259,000
Community Services	69,000

**C. Selected State Grants for Capital Projects****Public Schools**

Governor Thomas Johnson High School - construction	\$7,000,000
Green Valley Elementary School - construction	240,000
North Frederick Elementary School - renovations (roof)	178,000
Parkway Elementary School - renovations (roof)	107,000

**Community Mental Health/Addictions/Dev. Disabilities**

Potomac Healthcare Foundation, Ltd.	1,600,000
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**Chesapeake Bay Water Quality Loan**

Brunswick WWTP - nutrient removal	100,000
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**Water Supply Assistance Loan**

Woodsboro - water system improvements	150,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Natl. Park Service - Brunswick boat ramp & access road	100,000
Natl. Park Service - Nolands Ferry boat ramp facilities	40,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000

## Garrett County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	11,995	12,157	163	1.4
Compensatory Education	1,202	1,437	235	19.6
School Transportation	1,844	1,900	55	3.0
Special Education	563	581	19	3.3
Targeted Poverty Grants	534	525	(9)	(1.8)
Extended Elementary	311	311	0	0.0
Aging Schools	85	63	(22)	(26.0)
Class Size Initiative	81	112	31	38.6
Early Education Initiative	140	184	44	31.2
Teacher Development/Mentoring Grants	162	162	0	0.0
Teacher Salary Grant	424	345	(79)	(18.6)
Academic Intervention	154	168	14	9.0
Bridge to Excellence (SB 856)	0	312	312	n.a.
Other Education Aid	837	777	(59)	(7.1)
Primary & Secondary Education	18,332	19,036	704	3.8
Libraries	166	170	4	2.3
Community Colleges	2,309	2,702	393	17.0
Health Formula Grant	576	766	190	33.0
** Transportation	5,255	5,413	159	3.0
** Police and Public Safety	244	249	5	2.0
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	239	97	(142)	(59.4)
Disparity Grant	3,000	3,010	11	0.4
Utility Property Tax Grants	12	12	0	0.0
<b>Total Direct Aid</b>	<b>30,333</b>	<b>31,656</b>	<b>1,323</b>	<b>4.4</b>
Aid Per Capita (\$)	1,011	1,052	41	4.0
Property Tax Equivalent (\$)	1.53	1.50	(0.03)	(2.2)

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Garrett County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,210,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$610,000
Family Health and Primary Care	159,000
Geriatric and Children's Services	401,000
Mental Health	2,555,000
Prevention and Disease Control	346,000
Developmental Disabilities	1,693,000

### Social Services

Homeless Services	79,000
Women's Services	121,000
Adult Services	27,000
Child Welfare Services	370,000

### Senior Citizen Services

Long-Term Care	145,000
Community Services	60,000

**C. Selected State Grants for Capital Projects****Public Schools**

Hickory Environmental Center - - renovations	\$595,000
Route 40 Elementary School	1,800,000

**Garrett Community College**

Continuing Education Building - roof replacement	140,000
Underground storage tank replacement	93,000

**Chesapeake Bay Water Quality Loan**

Grantsville - sewer	100,000
Keysers Ridge - sewer	200,000
Mountain Lake Park - improvements	100,000

**Water Supply Assistance Loan**

Crellin - water system upgrade	60,000
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**Waterway Improvement**

Garrett Community College - small boat access	25,000
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## Harford County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	90,095	94,622	4,527	5.0
Compensatory Education	2,723	3,866	1,143	42.0
School Transportation	6,335	6,606	271	4.3
Special Education	5,157	5,569	412	8.0
Limited English Proficiency Grants	427	358	(69)	(16.1)
Targeted Poverty Grants	1,293	1,319	27	2.0
Extended Elementary	850	850	0	0.0
Aging Schools	400	385	(15)	(3.8)
Class Size Initiative	616	979	363	58.8
Early Education Initiative	1,027	997	(29)	(2.9)
Teacher Development/Mentoring Grants	441	434	(7)	(1.7)
Teacher Salary Grant	2,965	2,695	(270)	(9.1)
Academic Intervention	702	721	19	2.7
Bridge to Excellence (SB 856)	0	1,811	1,811	n.a.
Other Education Aid	1,440	1,405	(35)	(2.5)
Primary & Secondary Education	114,472	122,617	8,146	7.1
Libraries	1,178	1,143	(35)	(2.9)
Community Colleges	7,871	8,020	148	1.9
Health Formula Grant	2,660	2,853	193	7.2
** Transportation	12,734	13,169	435	3.4
** Police and Public Safety	2,151	2,171	20	0.9
** Fire and Rescue Aid	359	364	5	1.3
Recreation and Natural Resources	1,704	695	(1,009)	(59.2)
Utility Property Tax Grants	861	861	0	0.0
<b>Total Direct Aid</b>	<b>143,990</b>	<b>151,893</b>	<b>7,903</b>	<b>5.5</b>
Aid Per Capita (\$)	640	667	27	4.2
Property Tax Equivalent (\$)	1.12	1.13	0.01	0.6

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Harford County for teachers, librarians, community college faculty, and local officials are estimated to be \$15,570,000.

## **B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### **Health Services**

Alcohol and Drug Abuse	\$1,449,000
Family Health and Primary Care	102,000
Geriatric and Children's Services	540,000
Mental Health	6,601,000
Prevention and Disease Control	1,615,000
Developmental Disabilities	12,401,000
AIDS	44,000

### **Social Services**

Homeless Services	104,000
Women's Services	324,000
Adult Services	94,000
Child Welfare Services	1,134,000

### **Senior Citizen Services**

Long-Term Care	320,000
Community Services	67,000



**C. Selected State Grants for Capital Projects****Public Schools**

Aberdeen High School - construction	\$4,000,000
C.M. Wright High School - relocatable classrooms	65,000
Magnolia Middle School - renovations (roof)	538,000
Southampton Middle School - relocatable classrooms	33,000

**Harford Community College**

Joppa Hall - renovation & additions (Phase I)	1,875,000
Maryland Hall - renovation & science annex conversion	91,000

**Community Mental Health/Addictions/Dev. Disabilities**

The ARC of Northern Chesapeake Region, Inc.	1,361,000
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**Chesapeake Bay Water Quality Loan**

Moose Lodge - stream restoration	112,000
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**Comprehensive Flood Management Program**

Wilson's Mill - relocation	20,000
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**Waterway Improvement**

Flying Point Park - bulkhead	200,000
Havre de Grace City Marina - replace piers	150,000
Otter Point Creek - renovate boat ramp	75,000

**Other Projects**

Ripken Stadium and Youth Baseball Academy	1,000,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Friends Park - dam rehabilitation	90,000
Susquehanna State Park - Lapidum parking lot expansion	15,000

## Howard County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	73,843	76,546	2,703	3.7
Compensatory Education	1,207	1,928	721	59.7
School Transportation	6,457	6,946	489	7.6
Special Education	5,340	5,776	436	8.2
Limited English Proficiency Grants	1,608	1,938	331	20.6
Targeted Poverty Grants	702	709	7	1.0
Extended Elementary	255	255	0	0.0
Aging Schools	65	25	(40)	(61.6)
Class Size Initiative	748	1,206	458	61.3
Early Education Initiative	552	586	34	6.2
Teacher Development/Mentoring Grants	439	448	9	2.0
Teacher Salary Grant	3,505	3,334	(171)	(4.9)
Academic Intervention	696	704	8	1.1
Bridge to Excellence (SB 856)	0	1,850	1,850	n.a.
Other Education Aid	2,279	2,342	63	2.8
Primary & Secondary Education	97,695	104,593	6,897	7.1
Libraries	632	613	(19)	(3.0)
Community Colleges	8,727	9,433	706	8.1
Health Formula Grant	1,847	2,009	163	8.8
Transportation	12,996	13,435	438	3.4
Police and Public Safety	2,860	2,936	76	2.7
Fire and Rescue Aid	375	377	2	0.4
Recreation and Natural Resources	3,032	1,231	(1,800)	(59.4)
Other Direct Aid	105	105	0	0.0
<b>Total Direct Aid</b>	<b>128,269</b>	<b>134,731</b>	<b>6,462</b>	<b>5.0</b>
Aid Per Capita (\$)	491	504	13	2.6
Property Tax Equivalent (\$)	0.59	0.60	0.01	1.8

**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Howard County for teachers, librarians, community college faculty, and local officials are estimated to be \$22,083,000.

**B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,146,000
Family Health and Primary Care	221,000
Geriatric and Children's Services	333,000
Mental Health	5,616,000
Prevention and Disease Control	1,238,000
Developmental Disabilities	14,060,000
AIDS	44,000

**Social Services**

Homeless Services	118,000
Women's Services	231,000
Adult Services	43,000
Child Welfare Services	868,000

**Senior Citizen Services**

Long-Term Care	301,000
Community Services	45,000

**C. Selected State Grants for Capital Projects****Public Schools**

Fulton Elementary School - construction	\$1,164,000
Hollifield Station Elementary School - construction	725,000
New Western Middle School #3 - construction	785,000
Oakland Mills High School - construction	3,500,000
Patapsco Middle School - construction	1,737,000

**Howard Community College**

Arts & Humanities instructional building & parking lot	693,129
Athletic fields and nature trail	350,000
Electrical Service - cable replacement	375,000
Hickory Ridge Building - roof replacement	173,000
Instructional building & quad	2,713,000

**Comprehensive Flood Management Program**

Brookmede - acquisition	25,000
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**D. Capital Projects for State Facilities in the County****Department of Public Safety & Corrections**

Patuxent Institution - fire safety improvements	6,560,000
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## Kent County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	4,683	4,597	(86)	(1.8)
Compensatory Education	231	343	111	48.2
School Transportation	966	1,000	34	3.5
Special Education	351	356	5	1.3
Limited English Proficiency Grants	48	48	0	0.0
Targeted Poverty Grants	190	192	2	0.8
Extended Elementary	280	280	0	0.0
Aging Schools	65	54	(11)	(17.5)
Class Size Initiative	40	62	22	54.5
Early Education Initiative	44	156	112	254.9
Teacher Development/Mentoring Grants	120	120	0	0.0
Teacher Salary Grant	280	252	(28)	(10.1)
Academic Intervention	109	111	1	1.3
Bridge to Excellence (SB 856)	0	120	120	n.a.
Other Education Aid	565	535	(29)	(5.2)
Primary & Secondary Education	7,973	8,225	252	3.2
Libraries	85	83	(2)	(1.9)
Community Colleges	464	495	30	6.5
Health Formula Grant	484	628	144	29.8
** Transportation	2,397	2,476	79	3.3
** Police and Public Safety	198	199	1	0.5
** Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	144	59	(85)	(59.2)
<b>Total Direct Aid</b>	<b>11,951</b>	<b>12,371</b>	<b>420</b>	<b>3.5</b>
Aid Per Capita (\$)	616	631	15	2.5
Property Tax Equivalent (\$)	0.86	0.86	0.00	0.0

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Kent County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,282,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$1,630,000
Family Health and Primary Care	72,000
Geriatric and Children's Services	301,000
Mental Health	1,853,000
Prevention and Disease Control	244,000
Developmental Disabilities	1,089,000
AIDS	57,000

### Social Services

Homeless Services	2,000
Women's Services	337,000
Adult Services	28,000
Child Welfare Services	205,000

### Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

*Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Chestertown Middle School - renovations (windows)	\$225,000
H. H. Garnett Elementary School - renovations (boilers)	325,000

**Chesapeake College**

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

**Senior Citizen Activity Centers**

Kent Senior Center	417,000
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**Chesapeake Bay Water Quality Loan**

Chestertown WWTP - nutrient removal	100,000
West Millington Sewer - extension	150,000

**Water Supply Assistance Loan**

Millington - water system	150,000
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**Waterway Improvement**

Pelonus Marina - widen boat ramp	100,000
Quaker Neck - dredging	82,000
Shipyard Creek Boat Ramp - complete sheeting repair	20,000

**Other Projects**

Washington College - Dunning-Decker Science Building	2,575,000
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## Montgomery County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	121,264	129,061	7,796	6.4
Compensatory Education	4,533	6,346	1,813	40.0
School Transportation	16,522	17,469	948	5.7
Special Education	16,449	17,216	767	4.7
Limited English Proficiency Grants	13,687	15,021	1,334	9.7
Targeted Poverty Grants	4,649	4,699	50	1.1
Extended Elementary	1,266	1,266	0	0.0
Aging Schools	1,170	256	(914)	(78.1)
Class Size Initiative	3,537	5,051	1,514	42.8
Early Education Initiative	1,538	1,822	284	18.5
Teacher Development/Mentoring Grants	1,466	1,516	50	3.4
Teacher Salary Grant	13,208	11,826	(1,382)	(10.5)
Academic Intervention	2,157	2,303	146	6.8
Bridge to Excellence (SB 856)	0	7,586	7,586	n.a.
Other Education Aid	7,173	7,618	446	6.2
Primary & Secondary Education	208,617	229,056	20,439	9.8
Libraries	2,066	2,132	66	3.2
Community Colleges	29,693	31,570	1,877	6.3
Health Formula Grant	4,646	5,041	395	8.5
** Transportation	35,726	36,758	1,031	2.9
** Police and Public Safety	13,985	14,430	444	3.2
** Fire and Rescue Aid	1,302	1,307	5	0.4
Recreation and Natural Resources	7,711	3,131	(4,580)	(59.4)
Utility Property Tax Grants	2,766	2,766	0	0.0
<b>Total Direct Aid</b>	<b>306,511</b>	<b>326,189</b>	<b>19,678</b>	<b>6.4</b>
Aid Per Capita (\$)	340	357	17	4.9
Property Tax Equivalent (\$)	0.37	0.37	0.00	0.0

\*\* Municipal governments within the county receive a share of these funds.



## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Montgomery County for teachers, librarians, community college faculty, and local officials are estimated to be \$75,455,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$3,715,000
Family Health and Primary Care	65,000
Geriatric and Children's Services	1,563,000
Mental Health	22,919,000
Prevention and Disease Control	4,419,000
Developmental Disabilities	49,546,000
AIDS	198,000

### Social Services

Homeless Services	391,000
Women's Services	304,000
Adult Services	406,000
Child Welfare Services	2,553,000

### Senior Citizen Services

Long-Term Care	1,096,000
Community Services	192,000

**C. Selected State Grants for Capital Projects****Public Schools**

Brown Station Elementary School - renovations (boilers)	\$100,000
Candlewood Elementary School - renovations (roof)	79,000
Col. Zadok Magruder High School - renovations (roof)	289,000
Damascus High School - relocatable classrooms	50,000
Damascus High School - renovations (roof, phase II)	132,000
Darnestown Elementary School - renovations (HVAC)	200,000
Einstein High School - relocatable classrooms	50,000
Einstein Middle School #2 - construction	6,012,000
Fox Chapel Elementary School - renovations (boilers)	100,000
Gaithersburg High School - relocatable classrooms	25,000
Lake Seneca Elementary School - renovations (boilers)	100,000
Longview Special Education School - renovations (HVAC)	100,000
Mark Twain Special Education School - renovations (roof)	302,000
Oakland Terrace Elementary School - construction	83,000
Robert Frost Middle School - construction	2,320,000
Stonegate Elementary School - renovations (roof)	80,000
Walter Whitman High School - construction	1,733,000
Weller Road Elementary School - renovations (HVAC)	100,000

**Montgomery College**

Germantown - Humanities & Social Sciences Buildings	153,000
Germantown - Physical Education Building	130,000
Rockville - Performing Arts Center	91,000
Takoma Park - expansion	5,154,000

**Community Mental Health/Addictions/Dev. Disabilities**

CHI Centers, Inc.	400,000
Community Support Services, Inc.	503,000
Housing Unlimited, Inc.	720,000

**Senior Citizen Activity Centers**

Silver Spring Senior Source	518,000
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**Chesapeake Bay Water Quality Loan**

Alta Vista - stream restoration	133,520
Blue Plains WWTP - nutrient removal	2,250,000
Poolesville WWTP - nutrient removal	200,000
Seneca WWTP - nutrient removal	4,000,000

**Waterway Improvement**

Seneca Creek - boat access pier	\$35,000
Seneca Creek - boat ramp shore stabilization	70,000

**Other Projects**

Holy Cross Hospital	345,000
Strathmore Hall Performing Arts Center	3,000,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Natl. Park Service - parkwide ADA access/replace toilets	25,000
Seneca Creek State Park - boathouse repairs	140,000

**University System of Maryland**

System Office - new garage at Shady Grove	18,000,000
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## Prince George's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	321,635	342,500	20,865	6.5
Compensatory Education	12,633	19,759	7,126	56.4
School Transportation	21,207	21,995	788	3.7
Special Education	35,000	36,838	1,838	5.3
Limited English Proficiency Grants	7,946	9,297	1,351	17.0
Targeted Poverty Grants	12,481	13,020	539	4.3
Magnet/Effective Schools	16,100	16,100	0	0.0
Extended Elementary	1,732	1,732	0	0.0
Class Size Initiative	2,244	3,427	1,183	52.7
Early Education Initiative	2,619	3,121	502	19.2
Teacher Development/Mentoring Grants	6,462	6,502	40	0.6
Teacher Salary Grant	10,725	9,114	(1,611)	(15.0)
Academic Intervention	3,374	3,477	103	3.1
Bridge to Excellence (SB 856)	0	12,527	12,527	n.a.
Prince George's Restructuring Grant	0	10,000	10,000	n.a.
Other Education Aid	10,651	13,174	2,523	23.7
Primary & Secondary Education	464,809	522,584	57,775	12.4
Libraries	4,917	5,229	313	6.4
Community Colleges	19,095	19,437	342	1.8
Health Formula Grant	7,918	8,146	228	2.9
** Transportation	31,360	32,357	997	3.2
** Police and Public Safety	17,234	17,629	396	2.3
** Fire and Rescue Aid	1,124	1,120	(4)	(0.4)
Recreation and Natural Resources	6,508	2,649	(3,859)	(59.3)
Disparity Grant	6,879	14,753	7,874	114.5
Utility Property Tax Grants	7,745	7,745	0	0.0
** Other Direct Aid	181	181	0	0.0
<b>Total Direct Aid</b>	<b>567,770</b>	<b>631,830</b>	<b>64,060</b>	<b>11.3</b>
Aid Per Capita (\$)	690	759	69	10.0
Property Tax Equivalent (\$)	1.36	1.46	0.10	7.2

\*\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Prince George's County for teachers, librarians, community college faculty, and local officials are estimated to be \$51,509,000.

**B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$8,754,000
Family Health and Primary Care	3,067,000
Geriatric and Children's Services	1,913,000
Mental Health	27,083,000
Prevention and Disease Control	4,312,000
Developmental Disabilities	45,471,000
AIDS	286,000

**Social Services**

Homeless Services	576,000
Women's Services	380,000
Adult Services	443,000
Child Welfare Services	1,669,000

**Senior Citizen Services**

Long-Term Care	886,000
Community Services	197,000

**C. Selected State Grants for Capital Projects****Public Schools**

Ardmore Elementary School - renovations (roof)	\$448,000
Berwyn Heights Elementary School - construction	173,000
Bladensburg High School - construction	6,600,000
Hill Road Middle/Benjamin Davis Elementary School - construction	3,574,000
Lamont Elementary School - renovations (roof)	480,000
Margaret Brent Special Education Center - renovations (roof)	434,000
Springhill Lake Elementary School - renovations (boilers)	206,000
Yorktown Elementary School - renovations (roof)	432,000

**Prince George's Community College**

Bladen Hall Student Services Wing - renovation	3,600,000
Major systems replacement	941,186
Technology Building - construction	788,305

**Chesapeake Bay Water Quality Loan**

Blue Plains WWTP - nutrient removal	2,250,000
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**Comprehensive Flood Management Program**

Anacostia River - flood warning system	105,000
Oxon Run - levee enhancement	295,000

**Waterway Improvement**

Bladensburg Waterfront Park - dredging	200,000
Prince George's Police Department - fire/rescue vessel	50,000

**Other Projects**

Capitol College - McGowan Academic Center	3,000,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Fort Washington Marina - replace "A" pier	100,000
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**Department of Juvenile Justice**

Cheltenham Youth Facility - demolition (Phase I)	165,000
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**University System of Maryland**

Bowie State - Center for Business and Graduate Studies	\$550,000
College Park - Baseball Stadium, phase I	350,000
College Park - Biological Sciences Research Building	1,900,000
College Park - Chemical & Nuclear Engineering Building	3,729,000
College Park - construct new arena	4,000,000
College Park - Gossett Football Team House	1,000,000
College Park - Health Center addition & renovation	12,950,000
College Park - Key & Taliaferro Halls	1,550,000
College Park - Queen Anne's Hall renovation	7,285,000
University College - Conference Center hotel addition	18,000,000

## Queen Anne's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	13,129	13,760	630	4.8
Compensatory Education	492	656	164	33.4
School Transportation	1,700	1,763	63	3.7
Special Education	575	604	29	5.0
Limited English Proficiency Grants	37	36	(1)	(3.6)
Targeted Poverty Grants	221	224	4	1.6
Extended Elementary	351	351	0	0.0
Aging Schools	85	33	(52)	(61.7)
Class Size Initiative	112	181	68	60.6
Early Education Initiative	148	140	(8)	(5.4)
Teacher Development/Mentoring Grants	135	127	(8)	(5.8)
Teacher Salary Grant	477	420	(57)	(12.0)
Academic Intervention	196	198	3	1.4
Bridge to Excellence (SB 856)	0	106	106	n.a.
Other Education Aid	939	607	(332)	(35.3)
Primary & Secondary Education	18,598	19,206	608	3.3
Libraries	147	132	(15)	(9.9)
Community Colleges	1,118	1,191	73	6.5
Health Formula Grant	618	701	83	13.4
** Transportation	4,561	4,737	176	3.9
** Police and Public Safety	387	386	(1)	(0.2)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	313	127	(186)	(59.4)
<b>Total Direct Aid</b>	<b>25,942</b>	<b>26,679</b>	<b>737</b>	<b>2.8</b>
Aid Per Capita (\$)	613	619	6	0.9
Property Tax Equivalent (\$)	0.78	0.76	(0.02)	(2.8)

\*\* Municipal governments within the county receive a share of these funds.



## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Queen Anne's County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,902,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$592,000
Family Health and Primary Care	212,000
Geriatric and Children's Services	421,000
Mental Health	1,853,000
Prevention and Disease Control	492,000
Developmental Disabilities	2,301,000

### Social Services

Homeless Services	14,000
Women's Services	337,000
Adult Services	22,000
Child Welfare Services	314,000

### Senior Citizen Services

Long-Term Care	118,000
Community Services	34,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties.

**C. Selected State Grants for Capital Projects****Public Schools**

Centreville Elementary School - construction	\$2,000,000
New Kent Island Area Elementary School - construction	3,000,000

**Chesapeake College**

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

**Senior Citizen Activity Centers**

Grasonville Senior Center	557,000
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**Chesapeake Bay Water Quality Loan**

Centreville WWTP - nutrient removal	250,000
Kent Island WWTP - nutrient removal	2,828,000

**Comprehensive Flood Management Program**

Millington-Leonard - acquisition	8,000
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**Waterway Improvement**

Bryantown Landing - replace bulkhead	85,000
Corsica River - dredging	50,000
Little Creek - parking and lighting	20,000
Thompson Creek - parking expansion	20,000

**D. Capital Projects for State Facilities in the County****Other**

Eastern Shore Higher Education Center	600,000
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## St. Mary's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	34,553	36,821	2,269	6.6
Compensatory Education	1,918	2,519	601	31.3
School Transportation	3,348	3,483	135	4.0
Special Education	2,099	2,202	103	4.9
Limited English Proficiency Grants	153	187	34	22.0
Targeted Poverty Grants	723	727	3	0.5
Extended Elementary	873	873	0	0.0
Aging Schools	85	152	67	79.1
Class Size Initiative	242	382	140	57.9
Early Education Initiative	370	378	9	2.4
Teacher Development/Mentoring Grants	187	187	0	0.1
Teacher Salary Grant	1,160	1,028	(132)	(11.3)
Academic Intervention	335	357	23	6.8
Bridge to Excellence (SB 856)	0	497	497	n.a.
Other Education Aid	1,006	648	(358)	(35.5)
Primary & Secondary Education	47,050	50,441	3,391	7.2
Libraries	528	486	(43)	(8.1)
Community Colleges	1,471	1,591	119	8.1
Health Formula Grant	1,270	1,337	67	5.3
** Transportation	6,001	6,268	267	4.5
** Police and Public Safety	816	789	(27)	(3.3)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	577	234	(343)	(59.4)
<b>Total Direct Aid</b>	<b>57,914</b>	<b>61,346</b>	<b>3,432</b>	<b>5.9</b>
Aid Per Capita (\$)	654	684	30	4.6
Property Tax Equivalent (\$)	1.11	1.13	0.02	2.0

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for St. Mary's County for teachers, librarians, community college faculty, and local officials are estimated to be \$5,921,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$1,815,000
Family Health and Primary Care	94,000
Geriatric and Children's Services	349,000
Mental Health	4,028,000
Prevention and Disease Control	558,000
Developmental Disabilities	4,891,000

### Social Services

Homeless Services	71,000
Women's Services	136,000
Adult Services	89,000
Child Welfare Services	661,000

### Senior Citizen Services

Long-Term Care	110,000
Community Services	67,000

**C. Selected State Grants for Capital Projects****Public Schools**

Dr. James A. Forrest Career & Tech. Ctr. - construction	\$2,303,000
Margaret Brent Middle School - construction	2,000,000
Margaret Brent Middle School - relocatable classrooms	140,000

**College of Southern Maryland**

La Plata - fuel storage tank replacement	210,000
La Plata - WWTP replacement	31,000
Prince Frederick - Academic Complex	350,000

**Community Mental Health/Addictions/Dev. Disabilities**

Walden Sierra, Inc.	1,600,000
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**Chesapeake Bay Water Quality Loan**

Leonardtown - nutrient removal	150,000
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**Waterway Improvement**

Abell's Wharf - upgrade ramp & new piers	50,000
Tanner Creek - dredging	15,000
Wicomico - ramp/bulkhead	100,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Point Lookout State Park - Ft. Lincoln Comfort Station	30,000
Point Lookout State Park - Admin. Bldg./Visitors Center	30,000
Point Lookout State Park - shoreline stabilization	100,000
Sotterly - new pier, road, kiosk, shelter	125,000

**Historic St. Mary's City Commission**

St. John's Archaeological Site	2,217,000
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**St. Mary's College**

Academic Building - construction	1,543,000
Student Services Building - construction	415,000

## Somerset County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	8,139	8,543	404	5.0
Compensatory Education	1,055	1,404	348	33.0
School Transportation	1,134	1,144	10	0.9
Special Education	361	371	9	2.6
Limited English Proficiency Grants	73	77	4	5.6
Targeted Poverty Grants	460	468	8	1.8
Extended Elementary	310	310	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	47	70	22	47.4
Early Education Initiative	99	100	1	1.2
Teacher Development/Mentoring Grants	131	131	0	0.0
Teacher Salary Grant	528	450	(79)	(14.9)
Academic Intervention	137	136	(1)	(1.1)
Bridge to Excellence (SB 856)	0	556	556	n.a.
Other Education Aid	201	153	(48)	(24.0)
Primary & Secondary Education	12,740	13,911	1,171	9.2
Libraries	215	223	8	3.8
Community Colleges	479	527	49	10.1
Health Formula Grant	656	699	43	6.5
** Transportation	2,824	2,910	86	3.1
** Police and Public Safety	220	236	16	7.5
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	137	56	(82)	(59.5)
Disparity Grant	3,755	4,289	534	14.2
<b>Total Direct Aid</b>	<b>21,225</b>	<b>23,050</b>	<b>1,825</b>	<b>8.6</b>
Aid Per Capita (\$)	846	911	65	7.7
Property Tax Equivalent (\$)	2.90	3.08	0.18	6.1

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Somerset County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,365,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$869,000
Family Health and Primary Care	109,000
Geriatric and Children's Services	327,000
Mental Health	5,664,000
Prevention and Disease Control	306,000
Developmental Disabilities	1,404,000
AIDS	69,000

### Social Services

Homeless Services	8,000
Women's Services	279,000
Adult Services	40,000
Child Welfare Services	395,000

### Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

*Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Chesapeake Bay Water Quality Loan**

Crisfield - nutrient removal	\$100,000
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**Waterway Improvement**

Sheriff's Office - replace patrol/rescue vessel	50,000
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Small Boat Harbor - replace boat ramp	100,000
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Webster's Cove - new boat ramp	100,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Smith Island at Rhodes Point - dredging/stone revetment	270,000
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Somers Cove Marina - bulkhead/marina improvements	300,000
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**University System of Maryland**

Eastern Shore - Dining Hall/Somerset Hall renovation	587,000
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Eastern Shore - Murphy Hall Annex renovation	3,500,000
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Eastern Shore - utilities upgrade and site improvements	390,000
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Eastern Shore - Wicomico Hall renovation	400,000
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## Talbot County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	1,325	1,400	76	5.7
Compensatory Education	262	371	109	41.6
School Transportation	917	945	28	3.0
Special Education	261	277	16	6.1
Limited English Proficiency Grants	85	122	36	42.7
Targeted Poverty Grants	199	201	2	1.1
Extended Elementary	315	315	0	0.0
Aging Schools	155	108	(47)	(30.4)
Class Size Initiative	71	105	34	47.8
Early Education Initiative	39	40	1	2.7
Teacher Development/Mentoring Grants	138	122	(16)	(11.5)
Teacher Salary Grant	1,220	260	(960)	(78.7)
Academic Intervention	158	161	2	1.5
Bridge to Excellence (SB 856)*	0	1,010	1,010	n.a.
Other Education Aid	265	266	1	0.3
Primary & Secondary Education	5,410	5,702	292	5.4
Libraries	81	82	1	1.2
Community Colleges	1,075	1,145	70	6.5
Health Formula Grant	455	587	133	29.2
** Transportation	3,723	3,849	126	3.4
** Police and Public Safety	394	398	4	0.9
** Fire and Rescue Aid	216	216	0	0.0
Recreation and Natural Resources	332	134	(198)	(59.6)
<b>Total Direct Aid</b>	<b>11,686</b>	<b>12,113</b>	<b>427</b>	<b>3.7</b>
Aid Per Capita (\$)	339	348	9	2.8
Property Tax Equivalent (\$)	0.31	0.30	(0.01)	(4.3)

\* If Talbot County does not meet the local education effort requirements of SB 856, aid will be reduced to \$417,165.

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Talbot County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,007,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$556,000
Family Health and Primary Care	58,000
Geriatric and Children's Services	234,000
Mental Health	1,853,000
Prevention and Disease Control	323,000
Developmental Disabilities	1,918,000
AIDS	57,000

### Social Services

Homeless Services	37,000
Women's Services	337,000
Adult Services	35,000
Child Welfare Services	407,000

### Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

*Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects****Chesapeake College**

Caroline College Center - renovation	\$366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

**Chesapeake Bay Water Quality Loan**

Trappe WWTP - expansion	125,000
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**Waterway Improvement**

Claiborne Landing - replace boat ramp	80,000
Oak Creek Landing - replace boat ramp	80,000
Oxford Fire Department - fire/rescue vessel/equipment	50,000
St. Michael's - replace West Harbor Road bulkhead	100,000

**Hazardous Substance Cleanup Program**

Easton - gas projects	250,000
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## Washington County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	45,742	47,490	1,748	3.8
Compensatory Education	2,677	3,127	451	16.8
School Transportation	3,695	3,797	102	2.8
Special Education	3,229	3,421	192	6.0
Limited English Proficiency Grants	205	203	(3)	(1.3)
Targeted Poverty Grants	1,175	1,202	27	2.3
Extended Elementary	599	599	0	0.0
Aging Schools	200	277	77	38.3
Class Size Initiative	307	471	164	53.4
Early Education Initiative	526	572	45	8.6
Teacher Development/Mentoring Grants	352	344	(8)	(2.2)
Teacher Salary Grant	1,612	1,383	(229)	(14.2)
Academic Intervention	386	402	16	4.1
Bridge to Excellence (SB 856)	0	1,181	1,181	n.a.
Other Education Aid	1,724	1,359	(364)	(21.1)
Primary & Secondary Education	62,428	65,828	3,400	5.4
Libraries	786	830	44	5.6
Community Colleges	5,077	5,350	273	5.4
Health Formula Grant	2,017	2,299	282	14.0
** Transportation	9,670	10,023	354	3.7
** Police and Public Safety	1,349	1,396	47	3.5
** Fire and Rescue Aid	225	225	0	0.1
Recreation and Natural Resources	907	366	(541)	(59.6)
Disparity Grant	676	1,987	1,311	193.9
Utility Property Tax Grants	357	357	0	0.0
<b>Total Direct Aid</b>	<b>83,492</b>	<b>88,662</b>	<b>5,170</b>	<b>6.2</b>
Aid Per Capita (\$)	622	655	33	5.3
Property Tax Equivalent (\$)	1.22	1.26	0.04	3.1

\*\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Washington County for teachers, librarians, community college faculty, and local officials are estimated to be \$8,350,000.

**B. Estimated State Spending on Selected Health & Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$2,357,000
Family Health and Primary Care	173,000
Geriatric and Children's Services	652,000
Mental Health	8,493,000
Prevention and Disease Control	1,146,000
Developmental Disabilities	7,484,000
AIDS	202,000

**Social Services**

Homeless Services	235,000
Women's Services	198,000
Adult Services	167,000
Child Welfare Services	1,288,000

**Senior Citizen Services**

Long-Term Care	365,000
Community Services	94,000

**C. Selected State Grants for Capital Projects****Public Schools**

Springfield Middle School - renovations (roof)	\$480,000
Western Heights Middle School - renovations (HVAC)	195,000
Williamsport Elementary School - construction	686,000

**Hagerstown College**

Administration to Registration Center - conversion	1,180,000
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**Community Mental Health/Addictions/Dev. Disabilities**

On Our Own of Maryland, Inc.	168,000
The "W" House of Hagerstown, Inc.	436,000

**Adult Day Care Centers**

ARC of Washington County, Inc.	764,000
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**Chesapeake Bay Water Quality Loan**

Winebrenner WWTP - upgrade	100,000
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**Water Supply Assistance Loan**

Pen Mar - water system	440,000
Sharpsburg - water treatment plant	200,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

South Mountain Battlefield - renovate museum buildings	75,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000

**Maryland Environmental Service**

Correctional Inst. Hagerstown - wastewater treatment facility	601,000
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**Department of Public Safety & Corrections**

Correctional Inst. Hagerstown - central kitchen	3,441,000
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## Wicomico County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	35,400	36,774	1,374	3.9
Compensatory Education	2,669	3,532	864	32.4
School Transportation	2,766	2,853	87	3.2
Special Education	1,075	1,166	91	8.5
Limited English Proficiency Grants	323	353	30	9.2
Targeted Poverty Grants	1,083	1,101	17	1.6
Extended Elementary	790	790	0	0.0
Aging Schools	355	149	(206)	(58.0)
Class Size Initiative	240	334	94	39.1
Early Education Initiative	353	361	8	2.2
Teacher Development/Mentoring Grants	317	325	8	2.6
Teacher Salary Grant	2,274	2,095	(180)	(7.9)
Academic Intervention	374	374	0	0.1
Bridge to Excellence (SB 856)	0	1,411	1,411	n.a.
Other Education Aid	972	939	(32)	(3.3)
Primary & Secondary Education	48,992	52,556	3,565	7.3
Libraries	534	607	72	13.6
Community Colleges	2,873	3,165	291	10.1
Health Formula Grant	1,337	1,561	224	16.7
** Transportation	7,358	7,632	273	3.7
** Police and Public Safety	906	967	60	6.7
** Fire and Rescue Aid	221	221	0	0.0
Recreation and Natural Resources	603	245	(358)	(59.4)
Disparity Grant	1,108	3,203	2,095	189.0
<b>Total Direct Aid</b>	<b>63,933</b>	<b>70,156</b>	<b>6,223</b>	<b>9.7</b>
Aid Per Capita (\$)	730	788	58	8.0
Property Tax Equivalent (\$)	1.62	1.72	0.10	5.9

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Wicomico County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,158,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$1,634,000
Family Health and Primary Care	426,000
Geriatric and Children's Services	657,000
Mental Health	5,993,000
Prevention and Disease Control	700,000
Developmental Disabilities	4,802,000
AIDS	69,000

### Social Services

Homeless Services	33,000
Women's Services	299,000
Adult Services	48,000
Child Welfare Services	483,000

### Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

*Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*



**C. Selected State Grants for Capital Projects****Public Schools**

Bennett Middle School - renovations (roof)	\$64,000
Pittsville Elementary/Middle School - construction	892,000
Wicomico Middle School - renovations (roof)	76,000
Willards Elementary School - construction	1,652,000

**Wor-Wic Tech Community College**

Student Center - addition	186,064
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**Chesapeake Bay Water Quality Loan**

Delmar - nutrient removal	100,000
Fruitland WWTP - nutrient removal	1,347,000
Salisbury WWTP - nutrient removal	1,600,000

**Waterway Improvement**

Fruitland Volunteer Fire Department - new boat	50,000
Nanticoke Harbor - complete ramp/parking/ADA	25,000
Nanticoke Harbor - DMP site acquisition	150,000
Riverside Boat Ramp - replace launching facility	75,000

**Other Projects**

Peninsula Regional Medical Center	445,000
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**D. Capital Projects for State Facilities in the County****Department of Labor, Licensing & Regulation**

Eastern Shore Regional Claims Center - acquisition	1,400,000
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**Department of Juvenile Justice**

Eastern Shore Detention Center	260,000
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**Military**

Salisbury Armory - organizational maintenance shop	3,036,000
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## Worcester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	2,742	2,474	(268)	(9.8)
Compensatory Education	443	630	187	42.1
School Transportation	1,664	1,707	43	2.6
Special Education	270	286	17	6.2
Limited English Proficiency Grants	109	92	(16)	(14.9)
Targeted Poverty Grants	384	382	(2)	(0.4)
Extended Elementary	282	282	0	0.0
Aging Schools	65	10	(55)	(85.2)
Class Size Initiative	101	151	51	50.2
Early Education Initiative	74	72	(2)	(3.0)
Teacher Development/Mentoring Grants	149	149	0	0.1
Teacher Salary Grant	1,005	714	(291)	(29.0)
Academic Intervention	185	178	(7)	(3.8)
Bridge to Excellence (SB 856)*	0	1,497	1,497	n.a.
Other Education Aid	688	650	(38)	(5.5)
Primary & Secondary Education	8,161	9,275	1,115	13.7
Libraries	107	116	8	7.8
Community Colleges	1,379	1,518	140	10.1
Health Formula Grant	491	711	219	44.7
** Transportation	5,627	5,872	245	4.3
** Police and Public Safety	635	661	26	4.1
** Fire and Rescue Aid	240	242	2	0.7
Recreation and Natural Resources	590	240	(350)	(59.3)
<b>Total Direct Aid</b>	<b>17,229</b>	<b>18,634</b>	<b>1,405</b>	<b>8.2</b>
Aid Per Capita (\$)	348	366	18	5.2
Property Tax Equivalent (\$)	0.26	0.27	0.01	3.0

\* If Worcester County does not meet the local education effort requirements of SB 856, aid will be reduced to \$523,004.

\*\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Worcester County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,250,000.

## B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

### Health Services

Alcohol and Drug Abuse	\$1,700,000
Family Health and Primary Care	82,000
Geriatric and Children's Services	385,000
Mental Health	2,675,000
Prevention and Disease Control	558,000
Developmental Disabilities	2,640,000
AIDS	66,000

### Social Services

Homeless Services	33,000
Women's Services	304,000
Adult Services	31,000
Child Welfare Services	406,000

### Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

*Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Pocomoke Elementary School - renovations (HVAC)	\$283,000
Stephen Decatur Middle School - construction	1,235,000

**Wor-Wic Tech Community College**

Student Center - addition	186,064
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**Waterway Improvement**

George Island Landing - boat ramp parking lot	50,000
Pocomoke Learning Center - repair pier fuel pump	75,000
Public Landing - bulkhead/parking lot rehabilitation	100,000
Snow Hill - repair Byrd Park boat ramp/decking	78,000

**Other Projects**

Atlantic General Hospital	750,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Assateague State Park - pave boat ramp parking lot	75,000
Ocean City - beach replenishment	2,000,000
Pocomoke River State Park - replace Milburn Landing pier	75,000
Pocomoke River State Park - replace Shad Landing bubbler	30,000
Pocomoke River State Park - upgrade septic system	75,000